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* The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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I. Organizational matters

1. The annual session 2010 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, Geneva, from 21 June to 2 July 2010.

2. The Executive Board approved the agenda and workplan for its annual session 2010 (DP/2010/L.2 and Corr.1), and approved the report of the first regular session 2010 (DP/2010/15).

3. The Executive Board agreed to the following schedule of future sessions of the Executive Board in 2010:

Second regular session 2010: 30 August to 3 September 2010.

4. Decisions adopted by the Executive Board at the annual session 2010 were included in document DP/2010/34, accessible at www.undp.org/execbrd.

UNDP segment

II. Statement by the Administrator and annual report of the Administrator

5. In her opening statement, the Administrator thanked the Executive Board President for his stewardship and the Vice-Presidents for their hard work and support. She then welcomed the new Director for the Bureau for Latin America and the Caribbean and that of the Partnerships Bureau. She outlined the adaptation and comparative advantage of UNDP against the backdrop of 21st century development challenges and the desire of programme countries to change their development status. She emphasized that the overall priority of the organization will remain on poverty reduction and achieving the Millennium Development Goals (MDGs), as encapsulated in the UNDP Strategic Plan, 2008-2013.

6. The Administrator also introduced the Business Action Plan that aims to improve UNDP performance and sharpen implementation of the strategic plan. She highlighted its seven key work streams: positioning UNDP as a world-class knowledge-based organization; measuring and managing by results; building new strategic partnerships; managing performance and developing staff capacity; driving effectiveness, internal efficiencies and realigning incentives; strategic communications; and driving United Nations development coordination at country level. To this end, she noted the operational steering groups at the country office, regional centre and headquarters levels, and recent discussions with staff around the world about the change programme.

7. In light of the downward financial contribution trends of 2009 and 2010 to UNDP core resources, she underscored the need for the Board to help ensure more predictable and the right level and type of 'core' resources to deliver expected results in programme countries. She remarked that the high level of US $3.7 billion contributions to the 'non-core' resources in 2009 showed UNDP to be the partner of choice of donors. She thanked those Member States who had already contributed to the regular resources of UNDP and its associated funds and programmes for 2010, and also those who have made multi-year pledges.

8. She touched upon key results and elaborated on achievements, challenges and priority actions in the six outcome areas in the annual report which relate to, inter alia: demonstrating results; national capacity development; the focus on poverty and the MDGs; gender issues; HIV/AIDS; environmental threats like climate change; crisis prevention and recovery; and United Nations reform. She explained that the contribution of UNDP to democratic governance, while not one of the six outcomes in the annual report, remains a major component of the work of the organization. She also highlighted the importance of cross-cutting programmes such as South-South cooperation, gender equality and the role of UNDP in supporting governments to address their human development needs, improve national planning and budget allocation processes and foster national innovation.

9. On the MDGs, the Administrator reiterated UNDP's message that the "MDGs can be achieved" by 2015. She urged for more political support through highest-level participation from Member States during the High Level Plenary Meeting of the General Assembly on the MDGs (MDG Summit) to be held in September 2010. She spoke of recent initiatives around the MDGs including the UNDP-led International Assessment and support provided to over 30 countries in preparing in-depth national MDG reports. She highlighted some common areas for priority action, inter alia: support for country-led development; fostering inclusive economic growth; expanding opportunities for women and girls; scaling-up of social protection and employment programmes; and, fulfilment of ODA commitments by the international community To this end, she noted that, the Organization for Economic Cooperation and Development (OECD) has projected that ODA delivery by the end of 2010 will be 38 per cent short of the increase that was promised at the G8 Summit in Gleneagles. She reiterated her appreciation for the guidance of the Executive Board since she took office 14 months ago, and expressed confidence in their support to help UNDP continue to increase its development impact as well as its leadership of the United Nations development system.

10. In making their general statements, delegations reiterated that UNDP focus remains on poverty reduction, economic growth and sustainable development. They welcomed the MDGs as a priority as well as the mainstreaming of climate change responses into development activities. Delegations expressed concern about the decline in regular resources in 2009 and the similar downward trend in 2010, emphasizing that UNDP must use its resources more efficiently and improve communication of UNDP 'added-value' to the public, donors and partners. Several delegations observed that the lack of sufficient regular resources could jeopardize coherence of activities, and urged UNDP to consider new and innovative financing mechanisms. Recognizing that Africa will probably not meet the MDGs by 2015, they called upon UNDP to increase the visibility of the continent in forums, debates and work.

11. Delegations commended the Business Action Plan. They welcomed the increase in evidence-based reporting and demonstration of longer-term, outcome-level results and lessons learned since the Administrator assumed office, in particular in the annual report. Delegations urged for a more clear demonstration of UNDP contribution to development outcomes versus global ones. They also called for improved evidence-based evaluation in the mid-term review, especially with regard to decentralized evaluation. One delegation requested the use of more gender indicators in the noted the annual report.

12. Delegations expressed hope that the MDG Summit would result in an action-oriented plan and greater policy coherence with special attention to MDG 4 (reduce child mortality) and MDG 5 (improve maternal health), where progress is lagging behind. They voiced concern at the trend of reversal of development gains mainly due to the global economic crisis and identified the Summit as critical for resource mobilization in broadening the donor base and improving burden-sharing of ODA. The UNDP report "Beyond the Midpoint" and the UNDP-led International Assessment were acknowledged as a roadmap and UNDP was commended by delegations for showing leadership.

13. Capacity-building was recognized by delegations as an essential and effective way of encouraging knowledge transfer and promoting sustainable development in programme countries. Delegations lauded the activities of the Special Unit for South-South Cooperation and called for additional support to the Unit as the United Nations system-wide coordinator for south-south and 'triangular' development cooperation. They suggested to strengthen existing South-South centres of excellence or to create new ones at the regional and inter-regional levels. Delegations reiterated that South-South cooperation is complementary to and not a substitute for North-South cooperation. To meet the organization's increased focus on capacity development, delegations urged to ensure sufficient qualitative and quantitative human resources. They also requested more examples in future reports of how UNDP strengthens capacity development.

14. Delegations recognized the increase in UNDP support towards gender equality, such as in disaster risk reduction and the gender dimension in HIV and AIDS. They urged more focus on gender mainstreaming, especially in the largest country programme, Afghanistan, and in cross-cutting programmes. A few delegations emphasized that they looked to the Administrator as Head of UNDP and Chair of the United Nations Development Group to contribute towards a strong new gender entity.

15. Delegations commended the efforts to strengthen the coordination role of UNDP within the United Nations system. They noted progress in the "Delivering as One" pilot countries. It was also reiterated that "the old way of doing business is no longer an option" and urged the creation of flexible mechanisms for self-starter countries along with the mainstreaming of best practices in areas like human resources and common reporting. Delegations requested the United Nations Resident Coordinator role be further equipped with a level of authority that matches their accountability, including as Humanitarian Coordinator. The need to separate the function of United Nations Resident Coordinator from that of the UNDP Country Director was stressed by delegations.

16. In closing, the Administrator noted that for the mid-term review in 2011, UNDP will take into account feedback on the annual report 2009 and continue to hold informal consultations with the Executive Board. She thanked delegations for their constructive comments, and welcomed the remarks on, inter alia: the importance of knowledge-management and dissemination of best practices; focusing on results; building capacity and national ownership; getting the right staff in the right places; driving efficiency to maximize resources; communicating back better to Member States; and driving forward the UNDP coordination role. She noted these issues are to be addressed through the Business Action Plan.

17. The Assistant Administrator and Director of the Bureau for Crisis Prevention and Recovery, presented an overview of how UNDP supports capacity development, gender equality and other peace-building initiatives aimed at preventing and responding to violent crises and natural disasters. The Minister of Planning of the Democratic Republic of the Congo spoke of his country's political and economic progress and challenges in achieving sustainable growth. Delegations appreciated the country perspective and lauded the country's longer-term development approach.

18. The Executive Board adopted decision 2010/13 on the annual report of the Administrator on the strategic plan: performance and results for 2009, and took note of the report of UNDP on the recommendations of the Joint Inspection Unit in 2009 (DP/2010/17/Add.1) and the Statistical Annex (DP/2010/17/Add.2).

III. Funding commitments to UNDP

19. The Associate Administrator introduced the item, thanking partners who have already contributed to regular resources. She reiterated UNDP commitment to expand its core donor base and to further demonstrate overall relevance and results.

20. The Deputy Assistant Administrator and Acting Director of the Partnerships Bureau summarized the UNDP budget numbers, highlighting that core resources in nominal terms dropped by 9 per cent from 2008, or from US$ 1.1 billion to US$ 1.01 billion. He stated that core resources are expected to fall to US$ 960 million in 2010, significantly short of the US$ 1.4 billion annual target. He outlined five fundamental issues for consideration by the Executive Board: (a) the need to re-balance core and non-core resources; (b) the predictability of funding (or lack thereof); (c) over-dependence on a handful of donors; (d) the effects of exchange rate fluctuation in projecting core resources; and, (e) financial support as key to meeting strategic plan objectives as agreed upon with the Executive Board. He named the top five contributors to regular resources, reviewed the core contribution status, and remarked on the US$ 4.7 billion in non-core resources contributions and its associated funds and programmes.

21. Delegations were concerned about the decline in regular resources and noted the Executive Board's responsibility to ensure sufficient and predictable resources. They welcomed UNDP commitment to more clear demonstration of results and effectiveness, which they observed would help mobilize resources. One delegation stressed that it was not fully satisfied with current UNDP project management and reporting, emphasizing that rigorous reporting was key to that Member State's willingness to give more funds.

22. One delegation requested information on the preference by donors for single-year funding. Another delegation lauded the full core funding contribution approach of Belgium, urging that it could be a model for donors. One other questioned if governance of non-core contributions was sufficiently aligned with UNDP objectives, especially at the country level.

23. The Associate Administrator emphasized that a cultural change is underway in the organization, with already evident improvements in focus, results and outcomes as well as reporting. She welcomed best practices in funding mechanisms and suggestions to improve results-based reporting.

24. The Deputy Assistant Administrator reiterated commitment to strengthening results-based reporting. He reminded that non-core funding used for UNDAF activities and country programmes is often mobilized at the country-level and approved by the Executive Board. He emphasized that non-core resources help fill in the lack of regular resources.

25. The Executive Board adopted decision 2010/14 on the report on funding commitments to UNDP and its funds and programmes for 2010 and onwards.

IV. Evaluation

26. The Director, Evaluation Office, briefed the Executive Board on the report on evaluation (DP/2010/19) and presented the proposed workplan for 2010-2011.

27. Delegations stressed that decentralized evaluation was weak and there is need for strengthened monitoring and evaluation capacity at the country level. They urged for programmatic goals that are specific, realistic and measurable, which they observed would help in the communication of results. Delegations asked if the mid-term review could include how UNDP has narrowed programme level goals for better results-based management. They also requested a focus on fewer and high-impact policy-level programmes to reduce existing fragmentation of country activities. One delegation was concerned about the high ratio of internal audit recommendations under the project/programme management category as outlined in the report on internal audit and investigations (DP/2010/31).

Review of the UNDP evaluation policy and management response

28. The independent review of the UNDP evaluation policy (DP/2010/20) was introduced by the co-author of the review team. The Associate Administrator provided the UNDP management response, addressing key issues and highlighting actions taken to strengthen performance.

29. Delegations observed the varying quality and compliance of evaluation among country offices, remarking that such differences undermine the credibility of the evaluation process. They urged investment in monitoring and evaluation capacity, and accountability of and incentives for staff. Delegations requested more examples of the decentralization evaluation function for the next review in 2013.

30. Delegations recommended that evaluation of a country programme be mandatory prior to planning a new programme cycle. They stressed the need to involve partner countries and regional experts in the evaluation process, observing this would help build national ownership and capacity, and improve opportunities to learn from results. Delegations reiterated the need to maintain the independence of the Evaluation Office for quality control and transparency.

Evaluation of the regional programme for Europe and the Commonwealth of Independent States, 2006-2010, and management response

31. The Director, Evaluation Office, introduced the evaluation report (DP/2010/22). The Assistant Administrator and Director, Regional Bureau for Europe and the Commonwealth of Independent States provided management's response to the evaluation report (DP/2010/23).

32. One delegation stressed the need for clarification on how UNDP will make "a clear distinction between project management and consulting modes of operation" with regard to the Bratislava Regional Centre (DP/2010/23), as this relates to how UNDP defines the role of a regional centre versus a regional bureau and with regard to the context of achieving efficiency and effectiveness.

33. The Executive Board adopted decision 2010/15 on the annual report on evaluation; and, decision 2010/16 on the independent review of the UNDP evaluation policy. They took note of the evaluation of the regional programme for Europe and the Commonwealth of Independent States, 2006-2010, (DP/2010/22), and the management response (DP/2010/23).

V. Human Development Report

34. In line with General Assembly resolution 57/264, the Deputy Director, Human Development Report Office, provide an update on the consultation process and insight into the 20th anniversary theme of the 2010 Human Development Report (HDR).

35. Delegations urged caution on the use of new terminology and indices, like the poverty measurement index, as these lack an agreed global definition and may not be cleared by respective governments. They emphasized the need for political impartiality, and for inclusion of country-specific contexts and external shocks, like the food crisis, in the ranking system. Several delegations encouraged more linkage and synergies between the HDR and MDGs.

36. The Deputy Director stated the HDR takes into account the crisis experience of countries and that the 2011 HDR will include national vulnerabilities and cultural context. She reviewed data sources and the verification process, and stressed that this year's report, more than in the past, is about stimulation of debate.

37. The Executive Board took note of the update on Humanitarian Development Report consultations (DP/2010/24).

VI. UNDP country programmes and related matters

38. The Associate Administrator invited delegations to comment on draft country and regional programmes.

39. The Executive Board took note and commented thereon a total of 11 draft country programmes documents: Azerbaijan, Belarus, Cambodia, China, Georgia, Iraq, Libyan Arab Jamahiriya, Pakistan, Serbia, Swaziland and Turkey. There was one draft regional programme (Europe and Commonwealth of Independent States).

40. The Executive Board also took note of the first one-year extensions of the country programmes for Albania, Bangladesh, Cape Verde, Chad, Ghana, Kyrgyzstan, Mauritania, Seychelles, South Africa, Ukraine and Viet Nam; and, of the six-month extension of the country programme for the United Republic of Tanzania.

41. The first two-year extension of the country programmes for Namibia, Nepal and Sierra Leone and the second one-year extension on the country programme for Zimbabwe were approved.

42. Delegations requested more analysis, lessons learned and improvements to the new programme, and suggested featuring practitioners from the field on their use of lessons learned. One delegation stressed the need for consistent inclusion of gender issues. Another delegation proposed exchange of best practices among middle-income countries, to modify criterion for measuring per capita income to include a wider range of middle-income countries, and to broaden the definition of 'triangular' cooperation to recognize innovation and potential replication.

43. The Executive Board took note of the draft country programmes and extensions, and adopted decision 2010/25 on the request by the United Republic of Tanzania to present a draft common country programme document to the Executive Boards of UNDP/UNFPA, UNICEF and WFP.

VII. Report of the Ethics Office

44. The Director of the Ethics Office introduced the report of 2009 results and achievements while the Associate Administrator provided the management response.

45. Delegations requested plans for establishing baseline information from which impact can be measured in 2011, and how learning gaps of staff are being met. They expressed concern about the reliance on external consultants with regard to sustainability and skill sets of staff.

46. The Director noted that qualitative and quantitative tracking of training is ongoing through the inclusion of ethics questions in staff surveys and monitoring such elements as the number of training events and staff participation. She added that staff feedback on content and facilitation comes via face-to-face workshops, online training and case studies. She confirmed that certification and training of staff is underway to reduce reliance on external consultants.

47. The Associate Administrator reassured the sustainability of the Office and that management will continue to assess related needs and available resources.

48. The Executive Board adopted decision 2010/16 on the report on the Ethics Office — UNDP activities for 2009.

VIII. United Nations Capital Development Fund

49. The UNDP Associate Administrator opened the item, commending UNCDF for scoring in the top tier of all bilateral and multilateral agencies participating in the 2009 Consultative Group to Assist the Poorest microfinance donor rating exercise (Smart Aid Index). The UNCDF Executive Secretary summarized the report on results achieved in 2009 (DP/2010/27).

50. Delegations commended the growth of UNCDF in its activities as showing donor confidence. For future annual reports, they requested more analysis, lessons learned, challenges and the impact of activities on vulnerable groups. Delegations urged for broadening of the UNCDF donor base. One delegation expressed concern

about the uneven results in Africa when compared with the Asia-Pacific, especially on Indicator 2 (local development), and encouraged to improve this balance before taking on too many new projects. Another delegation cautioned UNCDF expansion in areas where other agencies and partners are more expert.

51. The Executive Secretary thanked delegations for their comments and requested more un-earmarked resources. The Associate Administrator reiterated commitment to all funds and programmes related to the UNDP, including UNCDF, United Nations Volunteers (UNV) and United Nations Development Fund for Women (UNIFEM).

52. The Executive Board adopted decision 2010/17 on the report on results achieved by the United Nations Capital Development Fund in 2009.

IX. United Nations Volunteers

53. In introducing this item, the UNDP Associate Administrator expressed remembrance for five UNVs who recently lost their lives on mission. The UNV Executive Coordinator paid tribute to the deaths of the UNVs, and introduced the report (DP/2010/28).

54. Delegations commended the focus of the organization on, inter alia: national volunteerism; the diversification of volunteer modalities; new technology; South-South cooperation; and, UNV orientation toward UNDP focus areas. Delegations viewed the upcoming 10th anniversary of the International Year of the Volunteer as a chance to advance national volunteerism and partnerships, and synergize with the European Year of Volunteering in 2011 and promote activities to assist stateless persons. Delegations expressed concern about the drop in funding levels between the last biennium and that of 2008-2009, especially for the Special Voluntary Fund.

55. Delegations requested acceleration of gender mainstreaming. Several delegations called for more measurable indicators and results-based reporting. Two delegations recommended use of international volunteers within their own continent to make use of regional human resources and promote "regionalization".

56. The following organizations commented on UNV achievement and partnership: United Nations Department of Field Support; United Nations High Commissioner for Refugees; Office of the United Nations High Commissioner for Human Rights; the World Meteorological Organization; the International Federation of the Red Cross and Red Crescent Societies; and, the United Nations Office on Sport for Development and Peace.

57. The Executive Coordinator reiterated the intentional pursuit of diversification of volunteering modalities and results-based management. She shared concern on the slow progress of gender mainstreaming, noting recent dialogue with partners to recognize the value of women volunteers. The UNDP Associate Administrator thanked the Executive Coordinator and the Executive Board.

58. The Executive Board adopted decision 2010/18 on the report of the Administrator on United Nations Volunteers.

X. United Nations Development Fund for Women

59. In introducing this item, the UNDP Associate Administrator remarked on upcoming establishment of the new United Nations gender entity and partner The UNIFEM Executive Director introduced the report by reviewing progress management results.

60. Delegations stressed importance of a smooth transition to the new entit avoid gaps in programme implementation. They emphasized "the new entity not exonerate the rest of the United Nations from delivering results on gender coordination", and requested swift appointment of an under secretary general for the entity to be operational by January 2011. One delegation reminded agency of its obligation to the United Nations Convention on Rights of Persons Disabilities.

61. The Executive Director thanked delegations and the UNDP Asso Administrator for support of the new gender entity and of UNIFEM, espec during this transitional stage. She stated merging into a single entity could be as a good example of United Nations reform, and agreed there should be no h of programme activities during the transition. She reaffirmed that focus on wo and girls with disabilities should be furthered in the new entity.

62. The Executive Board adopted decision 2010/19 on the annual report o Executive Director of the United Nations Development Fund for Women.

UNOPS segment

XI. United Nations Office for Project Services

63. The Executive Director introduced the annual report (DP2010/30) summarized progress in 2009. In light of remaining legacy issues of the organiz in less fruitful years, the Director requested that if there are any negative m reports about UNOPS that the Board contact the organization directly for a more explanation.

64. Delegations commended UNOPS financial achievement in the first replenishment of its operational reserve, and on improved transparency throug organization's website. One delegation queried whether current manage systems are adequate to handle some of the ambitious activities outlined in report. Several encouraged more engagement with United Nations country team coherency and coordination.

65. Delegations welcomed UNOPS work in Africa as "best value for mon They urged UNOPS to engage more with emerging civil society and the pri sector. UNOPS response in Haiti following the 12 January 2010 earthquake rece special thanks by one delegation. Another delegation added its support fo ECOSOC resolution to officially include the name of UNOPS in the UNDP/UN Executive Board, a request put forward by the Executive Board.

66. The Executive Board adopted decision 2010/20 on the annual report of Executive Director of the United Nations Office for Project Services.

Joint segment

XII. Internal audit and oversight

67. At the outset, the President informed the Executive Board that the Chair of the UNDP Audit Advisory Committee and the Chair of the UNFPA Audit Advisory Committee were present. As requested by delegations, a representative of the United Nations Board of Auditors was also present.

UNDP

68. The Director, UNDP Office of Audit and Investigations (OAI) introduced the report on internal audit and investigations in 2009 (DP/2010/31). The Associate Administrator provided the UNDP management response. They were joined on the podium by the chairperson of the UNDP Audit Advisory Committee, who briefed the Board on the activities of her office.

69. Delegations welcomed the satisfactory audit ratings and recognized improvements in the disclosure of audit reports and increased transparency of the recruitment process. Delegations requested explanation on the different methods used in risk assessments and on the inadequate governance of IT functions. Delegations expressed concern about the increase in the OAI workload, as timely proceedings on investigations are crucial for prevention of corruption and justice.

70. Several delegations supported the disclosure of internal audits to donors such as the Global Fund and governments in instances of being the single funding source. Two delegations asked about the consequence of disclosure in general on the quality of the internal audit function. Delegations expressed concern about recurring issues in UNDP project management and finance receiving unsatisfactory audit ratings and felt discomfort at the sharp increase of complaints in financial irregularities and workplace harassment.

71. The UNDP Associate Administrator thanked delegations for their comments and reaffirmed efforts to address areas of repeated concern. She confirmed that the Africa Bureau has implemented all recommendations following its unsatisfactory audit rating and that the OAI will conduct another audit in 2010. Regarding the disclosure of internal audit reports to major donors, she stated UNDP follows Executive Board guidance. She assured that management would address the workload of the OAI.

72. The Director of OAI explained his office tailors its risk assessment methods to each project to determine relevant qualitative and quantitative measures. He said there were positive consequences of the disclosure of internal audit reports, such as making the report more readable and comparable for review by the Executive Board. He responded with concern about the ability to deal swiftly with allegations given the increase of workload. He noted the rise in allegations is a reflection of staff being more aware of reporting facilities and UNDP encouragement to report misconduct.

73. The chairperson of the UNDP Audit Advisory Committee stated she was satisfied with the internal control framework. She acknowledged the importance of IT governance with regard to risk management, and urged OAI not to decrease its professionalism because of limited resources or use ad hoc arrangements. On timely

implementation of the International Public Sector Accounting Standards (IPSAS), the Committee will continue to work within the change management architecture, such as via training of staff.

UNFPA

74. The Director, Division for Oversight Services (DOS), introduced the report on UNFPA internal audit and oversight activities in 2009 (DP/FPA/2010/20). The Deputy Executive Director (External Relations, United Nations Affairs and Management) presented the UNFPA management response.

75. Delegations welcomed the frankness of the report, noting that it suggested a satisfactory level of independence for DOS. They also welcomed the UNFPA management response and the report of the UNFPA Audit Advisory Committee (AAC). They noted the advances UNFPA had made to improve accountability and appreciated the initiatives undertaken by UNFPA in that regard. They urged the Fund to address the human resources, administrative and operations challenges that remained and to take urgent action to improve basic audit and oversight controls. They welcomed the improvements in national execution (NEX) auditing and urged UNFPA to address the outstanding challenges, including continued attention to the underlying causes of the issues as highlighted in the AAC report.

76. Some delegations stated that the DOS report would be more useful if it provided concrete recommendations on strategic and operational questions and that would also facilitate clear responses from the management. They recommended a rapid response to complaints pertaining to fraud and harassment. They were concerned regarding the increase in process and relationship risks mentioned in the DOS report. They concurred with the ACC regarding unrestricted access for DOS to the necessary documents; and asked about the AAC recommendation to establish a means to assess whether the intended results of the Fund's reorganization were achieved.

77. Delegations requested UNDP and UNFPA to provide information regarding the underlying causes of recurring recruitment vacancies and how those causes would be addressed. They urged both organizations to ensure rapid implementation of outstanding audit findings, especially those classified as high priority.

78. The Deputy Executive Director (External Relations, United Nations Affairs and Management) thanked the delegations for their guidance. She assured the Executive Board that UNFPA management was focused on addressing the issues raised. The Fund's internal control framework (ICF) had recently been reviewed and updated and was compliant with the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). With the full implementation of the COSO-compliant ICF, improvements would be seen across the board. She noted that UNFPA had appointed operations managers in all offices to strengthen and support UNFPA operations. Regarding NEX, she underscored that UNFPA had invested enormous efforts in addressing NEX issues and strengthening capacities at country level. While recognizing that some issues remained, she noted that they were complex and required time to resolve. She added that UNFPA would examine the issues further, including in the light of the experience of sister agencies that relied more on direct execution. She stated that UNFPA would undertake a risk-based analysis and explore ways to reduce risks.

79. Regarding recurring vacancies, she noted that UNFPA was addressing the issue and had several mechanisms in place, including the use of rosters to speed up the selection of vetted candidates. She added that UNFPA would undertake wider advertising of job vacancies and reach out further to sister agencies. She observed that there was fierce competition for good candidates. Concerning the Fund's reorganization, she stated that UNFPA had a monitoring framework in place to monitor progress and results. She assured the Executive Board that DOS had free and unrestricted access to all the necessary documents and noted that regrettably one specific office had not provided the needed documents. However, such lack of cooperation was not tolerated in the Fund and the issue was addressed. She concluded by emphasizing that UNFPA management was fully committed to and firmly focused on the follow-up of audit recommendations.

UNOPS

80. The Head of the Internal Audit Office presented UNOPS activities in 2009. In providing an update on accountability, audit recommendations and risk management, the Deputy Executive Director urged for disclosure of internal audit reports to donors in exceptional cases, as well as placement of internal audits on ethics into the public domain for transparency.

81. A number of delegations welcomed comment on and supported the disclosure request to donors like governments and the Global Fund when these entities represent the single funding source.

82. The Deputy Executive Director reaffirmed attention to internal and external audit issues, emphasizing that the audit unit was one of only two in the organization in 2009 that increased its budget and staff to strengthen the function.

United Nations Board of Auditors

83. The representative of the United Nations Board of Auditors welcomed the opportunity to engage with the Executive Board and announced that the reports on the last biennium for all three agencies would be available shortly. He highlighted the importance of IPSAS implementation, and noted that its management and success would depend on leadership at the top of the three organizations.

84. The Executive Board adopted decision 2010/22: Reports of UNDP, UNFPA and UNOPS on internal audit and oversight.

XIII. Field visits

85. The President called upon the respective team leaders and the chief rapporteurs of the Rwanda and Syrian Arab Republic field visits to introduce the respective reports and recommendations (DP-FPA/2010/CRP.1-E/ICEF/2010/CRP.12; and DP/2010/CRP.2-DP/FPA/2010/CRP.1).

86. Participants from Member States thanked the respective Governments of Rwanda and the Syrian Arab Republic, as well as UNDP, UNFPA and other United Nations country team members and the Resident Coordinators for their hospitality and access to information.

87. Delegations reaffirmed the value of the field visits to better understand the work and challenges of UNDP and UNFPA in the field. One delegation noted that the field visit reports were not assessments, evaluations or inspection of agencies, or of the development status or political/economic situation of a host country. Another delegation proposed to introduce a more systematic way of following up on field visit recommendations, and to consider a follow-up mechanism.

88. The Secretary of the UNDP/UNFPA Executive Board explained as the respective country offices receive the final report, any follow-up on recommendations takes place at that level. The Chief, UNFPA Executive Board and External Relations Branch, added that the Board had the right to incorporate the recommendations into decisions.

89. The Executive Board took note of the reports of the field visits to Rwanda and the Syrian Arab Republic.

UNFPA segment

XIV. Statement by the Executive Director and annual report of the Executive Director

90. In her statement (see http://www.unfpa.org/exbrd/2010/2010_annual.html), the Executive Director focused on 2010 as an important year for, inter alia: decision-making by world leaders and building momentum for the rights of women and girls to live in dignity, free from fear and violence; advancing the health and rights of girls, including as evidenced at the recent Women Deliver Conference and the Midwifery Symposium; promoting partnerships with a wide range of actors, including to address female genital mutilation/cutting and obstetric fistula; supporting South-South cooperation and triangular cooperation; re-energizing family planning in the context of promoting reproductive health and rights; expanding the global programme on reproductive health commodities; prioritizing gender and sexual and reproductive health (SRH) in the response to HIV and AIDS, including empowering young people to protect themselves from HIV infection; working with parliamentarians, Governments and advocates to adopt laws, policies and programmes to end violence against women; strengthening the approach to mainstream emergency preparedness and humanitarian response into programming; supporting the 2010 round of censuses; strengthening results-based management and monitoring and evaluation throughout the organization; addressing the challenges of national execution, including through capacity-building; and prioritizing accountability and audit, including revising the internal control framework and moving towards the full adoption of the International Public Sector Accounting Standards.

91. The Executive Director updated the Executive Board on the Fund's progress with its reorganization. She reported on her decision to locate the UNFPA Eastern Europe and Central Asia Regional Office (EECARO) in Istanbul, Turkey, and underscored that UNFPA had followed a transparent process using the same criteria as utilized for locating the other regional offices. She informed the Board that regrettably another challenge had been encountered in relocating the Arab States Regional Office as UNFPA had been unable to finalize the agreement with the Government of Egypt. She said that she would inform the Board as soon as she had

made a decision and hoped to complete the establishment of the remaining regional office by the end of 2010. (It should be noted that subsequently, on 29 July 2010, the host country agreement with the Government of Egypt was signed).

92. In the course of her statement, the Executive Director introduced her annual report DP/FPA/2010/17 (Part I); DP/FPA/2010/17 (Part I, Add.1); and DP/FPA/2010/17 (Part II). She elaborated on the Fund's involvement in and contribution to United Nations reform and system-wide coherence, including Delivering as One. The Executive Director also discussed the upcoming midterm review (MTR) of the UNFPA strategic plan, 2008-2013, and recognized it as an opportunity for strategic repositioning of the Fund. She thanked all who had made contributions to UNFPA, including donors that had increased their contributions — Australia, Austria, Canada, China, Finland and Italy. She thanked the Fund's top ten donors: Netherlands, Sweden, Norway, United States of America, Denmark, United Kingdom, Japan, Finland, Germany and Spain. She concluded by stating that "Throughout history, women have delivered for their families, communities and nations. Now it is time for the world to deliver for women".

93. Delegations commended the insightful and comprehensive statement by the Executive Director and her visionary leadership. They congratulated the Executive Director on her recent award recognizing her "Lifetime of Delivering for Women". Delegations appreciated the leading role of UNFPA in supporting countries in implementing the Programme of Action of the International Conference on Population and Development (ICPD), including in the areas of population and development; SRH, including HIV prevention; and gender. They commended UNFPA for its work to intensify and scale up HIV prevention and to link HIV response to SRH. UNFPA was commended for supporting the distribution of the female condom and one delegation asked about demand creation; improved distribution; and increased affordability/access. Another delegation called on UNFPA to harness the capacities for production of reproductive health commodities in developing countries.

94. Underscoring the need to create a better understanding of population dynamics and the interlinkages with development, delegations encouraged UNFPA to continue support for data collection, analysis and use. One delegation stressed the need for sustained UNFPA support for capacity-building of national statistics organizations and also called on the Fund to harmonize its data in close collaboration with those organizations. The increased UNFPA support to South-South cooperation was commended.

95. Several delegations commended UNFPA for the support provided to their respective countries and regions and referred to various health initiatives, for example, the recent launching in Sierra Leone of the national chapter of the African Union Campaign for the Accelerated Reduction of Maternal Mortality in Africa (CARMMA). The role of UNFPA in humanitarian and emergency response was also commended. One delegation asked how the current budget structure impacted UNFPA ability to initiate and resource humanitarian responses. The delegation emphasized the importance of improving the Fund's capacity to carry out disability-inclusive programming; advocate for the rights of people with disabilities; and support data collection on people with disabilities through censuses.

96. Delegations commended the Fund's contributions to advancing the Delivering as One agenda in pilot countries, as a broker, a vocal advocate of better coherence

and a pacesetter for joint programming. They called on UNFPA to continue its leading role in United Nations reform. One delegation urged UNFPA and the United Nations system to fully implement the 'firewall' agreement and to keep the Executive Board informed of progress and/or constraints. Delegations supported the creation of the new gender entity and were interested in learning about UNFPA engagement with the new entity.

97. Delegations welcomed the comprehensive annual report and took note of the progress in implementing the UNFPA strategic plan, 2008-2013. They recognized the improvements made in the annual report and welcomed the inclusion of a lessons learned section for each outcome. They observed that the inclusion of baselines and targets along with the 2009 performance made the report informative and reader-friendly. They asked that future reports include a more explicit link between UNFPA inputs, the outputs achieved and nationally owned outcomes. A deeper analysis of how activities and outputs related to outcomes and impacts was requested. Some delegations asked that future reports include a delineation of how UNFPA would deal with challenges. Some delegations emphasized that results reporting was not just about performance assessment but also provided opportunities to tell "the good stories to politicians and the tax payers". Some delegations suggested that the Executive Board consider having formal thematic discussions at future meetings and confine broad/general statements to the annual session.

98. Delegations appreciated the update on the preparations for the MTR of the current strategic plan and requested further briefings/consultations. They urged UNFPA to use the MTR as an opportunity for reviewing the development results framework; improving the targets and outputs; and strategic repositioning.

99. Delegations underscored the need for urgent action to meet the Millennium Development Goals (MDGs) and stressed that tackling maternal mortality and reproductive health and rights were key areas of the development agenda. They expressed concern about high maternal mortality and the slow progress in achieving MDG 5 to improve maternal health. They reaffirmed the fact that access of women to health care would increase their productivity and help to reduce maternal and child mortality. Concern was expressed regarding the lack of health workers and their uneven distribution (particularly the shortages in sub-Saharan Africa) which undermined the health systems in developing countries. Urgent work was needed on family planning to improve education and awareness and the availability of family planning services. The delegation of the Islamic Republic of Iran raised the issue of a UNFPA website posting that made reference to a position on the family by one of its officials that was inconsistent with the ICPD Programme of Action.

100. Delegations stated that unless new, additional and sustained resources were provided to developing countries, it was unlikely that the MDGs would be met. They hoped that UNFPA and H4 organizations joined by UNAIDS would collaborate closely in the implementation of the Secretary-General's initiative on the Joint Action Plan for Women's and Children's Health. The Fund's strong leadership in promoting the contribution of midwives to women's health was commended. The delegation of Sweden stated that it had selected MDG 5 as its main priority in the preparations for the MDG High-level Plenary Meeting in September and intended to allocate an additional 25 million Swedish kronor to its special initiative.

101. Delegations commended the long-standing collaboration of UNFPA with parliamentarians who were at the centre of the development of national policies on

population and development. The Fund was also commended for focusing attention on emerging issues such as ageing. It was underscored that there was a growing need for more focused attention on youth to meet their multisectoral needs and address the declining opportunities for education and employment.

102. Numerous delegations supported the Fund's decision to locate the Eastern Europe and Central Asia Regional Office in Istanbul, Turkey. The delegation of Turkey expressed its appreciation to UNFPA and assured the Executive Board of its commitment to support UNFPA and to ensure collaboration.

103. Since it was the Executive Director's last annual session, the President took the opportunity to pay tribute to her leadership, noting that in very complex political circumstances for the ICPD agenda she had turned UNFPA into a development force, with increased resources and the highest number of donors in the United Nations system. UNFPA was a partner respected by Governments and given a seat at the table during policy dialogues. Under the Executive Director's leadership, including by promoting respect for the cultural dimensions of development, the ICPD agenda had gained wider acceptance globally. The President concluded by thanking the Executive Director for her significant contribution to development around the world.

104. The Executive Director thanked delegations for their supportive comments on the work of UNFPA and their kind words to her personally. She welcomed the return of the head of the delegation of the United States of America and appreciated the strong message of support that had been conveyed. She thanked delegations for the constructive comments regarding improvements pertaining to the annual report structure/content and concerning the upcoming MTR of the strategic plan. She stated that UNFPA had noted the suggestions and would consult the Executive Board members regarding strategic repositioning for the next strategic plan. She observed that UNFPA planned to provide country programme evaluations at the time of submission of new country programmes to the Board. She underscored UNFPA commitment to national execution (NEX) and noted that it was a joint responsibility of UNFPA and national partners to make it work better. She added that NEX challenges could be discussed by the Board during one of the thematic discussions that had been proposed by some delegations.

105. She appreciated the positive comments and recognition of UNFPA engagement in and contributions to United Nations reform. She underscored that UNFPA would work with the gender entity as a full partner and noted that each agency would still need to deliver on its mandate, including relating to gender. UNFPA would focus on addressing gender, culture and human rights as they related to the ICPD Programme of Action. She elaborated on the work of the H4 organizations, including the focus on countries with the highest maternal mortality, the link between maternal mortality and HIV, the division of labour among the H4 and the inclusion of UNAIDS.

106. She thanked all the delegations that had highlighted the importance of the work of UNFPA to support achieving the MDGs and thanked the delegation of Sweden for announcing funding for its special initiative on MDG 5. She discussed the UNFPA Maternal Health Trust Fund to support strategic investments; intensifying demand creation; and meeting contraceptive needs (including female condom provision) through the global programme on reproductive health commodity security. She reiterated UNFPA commitment to supporting South-South

cooperation and noted the Fund's partnership with Partners in Population and Development. She observed that ageing was a growing area and UNFPA supported training, data development, research and worked closely with other development partners. She elaborated on the Fund's work with persons with disabilities at country and global levels.

107. She thanked delegations for appreciating UNFPA work regarding censuses and other data collection efforts and noted that the theme for the 2010 World Population Day was "data for development". She clarified that for its flagship publication the State of World Population, UNFPA utilized data from the United Nations Population Division and Statistics Division and those data were based on national statistics and harmonized in accordance with agreements reached by the United Nations Statistical Commission.

108. The Executive Director assured the delegation of the Islamic Republic of Iran and the Executive Board that UNFPA was always consistent with the ICPD Programme of Action and abided by it. She clarified that the website posting did not reflect the position of UNFPA or of the staff member but was a misrepresentation by a third-party source and as such would be removed from the website. (The item was immediately removed from the website).

109. Regarding resources, the Executive Director concurred with delegations that had stressed the importance of increased, timely and predictable core contributions. She thanked all countries that had made contributions, including those that had increased their contributions and/or made multi-year pledges. She elaborated on the Fund's regionalization, noting that technical and programme support had been integrated to provide more effective assistance to country offices.

110. Regarding the process envisaged for the selection of the new Executive Director, she noted that the Secretary-General would send a letter to the Permanent Missions requesting applications for the post. Candidates would be presented through their governments or could nominate themselves and would go through the established process of competitive recruitment, including short listing, interviews by a senior-level panel to recommend a further short list of three or four candidates who would be interviewed by the Secretary-General. The Secretary-General would make the ultimate decision, also taking into account consultations with the Executive Board.

111. The Executive Director concluded by paying tribute to the delegates who were moving to positions outside New York. She thanked them and the Executive Board as a whole for championing the ICPD agenda and supporting UNFPA and its mission and mandate.

112. The Executive Board adopted decision 2010/23: Report of the Executive Director for 2009: progress and achievements in implementing the UNFPA strategic plan.

XV. Funding commitments to UNFPA

113. The Chief, Resource Mobilization Branch (RMB), introduced the Report on contributions by Member States and others to UNFPA and revenue projections for 2010 and future years (DP/FPA/2010/18) and provided an update on the UNFPA funding situation. He noted that, as of 15 June 2010, the UNFPA income forecast

estimate for contributions to core resources was approximately $457.6 million, a decrease of $9.4 million from the time the report was finalized in March with a forecast of $467.9 million. As of 15 June 2010, of the 108 official pledges, 32 were multi-year pledges. Regarding 2010 revenue projections, he provided an amendment noting that the projected decrease in the contribution of France was 22 per cent. He thanked the Executive Board and all countries for their close collaboration and unwavering support.

114. Two delegations took the floor underscoring that UNFPA needed predictable, timely and increased core resources to assist countries in implementing the agenda of the International Conference on Population and Development. They encouraged countries to make multi-year pledges. Mauritania announced that it had doubled its contribution to UNFPA for the period 2009-2011. Belgium noted that it had substantially increased its contribution to UNFPA regular resources.

115. The Chief, RMB, thanked the delegations for their strong support to UNFPA.

116. The Executive Board adopted decision 2010/24: Report on contributions by Member States and others to UNFPA and revenue projections for 2010 and future years.

XVI. Country programmes and related matters

117. At the outset, the President announced that the extension of the country programme for Peru (DP/FPA/2010/25) had been added to the agenda under item 16: Country programmes and related matters.

118. The Deputy Executive Director (Programme) introduced the 10 new draft country programme documents (CPDs) and 18 country programme extensions. The Directors of the UNFPA regional offices for Africa; Arab States; Asia and the Pacific; Latin America and the Caribbean; and Eastern Europe and Central Asia elaborated on the programmes from their respective regions.

119. Ten delegations from donor countries made a joint statement on how country programmes were designed, presented and implemented. Noting the twofold challenge of learning from evaluations to improve programme delivery, they stressed the importance of: (a) integration of lessons learned into programme design to ensure relevance and to track performance; and (b) use of the lessons learned by programme implementers to make their work more effective. They welcomed the decision of UNFPA management to evaluate country programmes in the penultimate year of the programme cycle. To improve discussions of CPDs at the Executive Board, the delegations suggested that the presentations by the UNFPA regional directors should focus on an analysis of lessons learned and improvements made in the new CPDs. Furthermore, the presentations could also feature a few practitioners from the field to demonstrate how they incorporated lessons learned in the CPDs. The delegations underscored that a reasonable pool of quality evaluations was necessary to draw useful lessons. They were concerned about the low compliance rate of country offices with regard to their evaluation plans and urged UNFPA senior managers to take the necessary steps to improve compliance.

120. During the discussion, one delegation delivered a statement on behalf of the Member States of the Group of 77 and China emphasizing that the overarching principle of United Nations operational activities was national ownership and

leadership. The delegation reiterated the Group's position that United Nations development assistance, particularly its operational activities, should not be politicized and should be carried out according to the principle of national ownership, respecting the sovereignty of programme countries and preserving the neutrality of the funds and programmes. The delegation underscored that the Executive Board members were expected to guide the agencies on the technical aspects of the country programmes. The delegation stressed that all issues should be discussed in the appropriate forums.

121. Delegations made comments on specific draft CPDs, including satisfaction with the emphasis on health-system strengthening and quality monitoring and evaluation; complementarity of capacity-building efforts with other development partners; training for policymakers in data analysis and use in developing health policies and programmes; and the focus on gender equality. Delegations encouraged coordination with the Global Fund and other health initiatives in addressing maternal mortality; inclusion of baselines and targets for output indicators; and the timely provision of country programme evaluations.

122. Several delegations spoke in support of the programme for the Democratic People's Republic of Korea. Some delegations emphasized the need for thorough and rigorous programme monitoring, including ensuring that the programme reached the intended beneficiaries and no cash was supplied. Acknowledging the long-standing support of UNFPA to reproductive health and rights and population and development in China, one delegation stated that the Fund's activities in China were making a significant and positive impact at local, regional and national levels. The delegation commended the Fund's work in China. Referring to the draft CPD for Georgia, the delegation of the Russian Federation stated that it was unacceptable for its country to be presented as a party to the 2008 armed conflict. The delegation emphasized the need for the work of the United Nations and its funds and programmes to be neutral and non-politicized. The delegation stated that the governments of the two independent republics of Abkhazia and South Ossetia should be consulted with the aim of finding an appropriate format for cooperation with UNFPA.

123. The concerned delegations thanked the Executive Board for the extension of their respective programmes. The following delegations expressed appreciation for the support provided by UNFPA: Bangladesh, China, Democratic People's Republic of Korea, Iraq, Islamic Republic of Iran, Mauritania, Pakistan, Palestinian Authority, Sierra Leone and the United Republic of Tanzania.

124. The Deputy Executive Director (Programme) and the Directors of the regional offices thanked the delegations for their constructive comments and for the appreciation of UNFPA support. They assured the Executive Board that in accordance with decision 2006/36 the comments on the draft CPDs would be conveyed to the concerned countries to take into account in finalizing the CPDs. They also assured the Board about the firm commitment of UNFPA to the principles of neutrality, universality and multilateralism, as well as to national leadership and ownership.

125. The Executive Board approved the two-year programme extensions for Namibia, Nepal, Pakistan and Sierra Leone. The Board also approved the second one-year programme extension for the Islamic Republic of Iran. The Board took note of the one-year programme extensions for Albania, Bangladesh, Cape Verde,

Chad, Ghana, Mauritania, Myanmar, Peru, Somalia, South Africa, Ukraine and Viet Nam and the six-month programme extension for the United Republic of Tanzania. The Board took note of the draft CPDs for Azerbaijan, Belarus, Cambodia, China, Democratic People's Republic of Korea, Georgia, Iraq, Occupied Palestinian Territory, Swaziland and Turkey and the comments thereon, which would be conveyed to the concerned countries to take into account in finalizing the programmes, as per decision 2006/36.

126. The Executive Board adopted decision 2010/25: Request by the United Republic of Tanzania to present a draft common country programme document to the Executive Boards of UNDP/UNFPA, UNICEF and WFP. Following the adoption of the decision, the delegation of the Democratic Republic of the Congo congratulated the United Republic of Tanzania on the adoption of the request and the success achieved in Delivering as One. The delegation of the United Republic of Tanzania expressed its gratitude to the Executive Board for the unwavering support and noted that the Delivering as One initiative had had a transformative impact on the national Government and civil society.

XVII. Evaluation

127. The Director, UNFPA Division for Oversight Services (DOS), introduced the biennial report on evaluation (DP/FPA/2010/19). The Deputy Executive Director (Programme) presented the UNFPA management response.

128. Delegations acknowledged the positive commitments made by UNFPA management to continue to improve the evaluation culture and thanked the management for the constructive response to the findings on evaluation. Based on experiences from their own agencies, they recognized that it took time to develop an "evaluation culture" within the organization. They called on UNFPA to give priority attention to: the development of operational guidance; movement to the "nested approach" to evaluation to allow measurement of impact; recognition that performance monitoring and continuous improvement were core functions; enhancement of monitoring activities; and presentation of evaluations at the time of submission of new and extended country programmes to the Executive Board. They were pleased to note that the UNFPA management response and the biennial evaluation plan reflected the recognition that to ensure lesson learning, evaluations should be a prerequisite to planning of new cycles of country programmes. They welcomed the UNFPA management decision that evaluations would be undertaken in the penultimate year of the country programme cycle.

129. Some delegations commended UNFPA for recognizing the need to harmonize evaluation methods across the United Nations system. They noted that harmonizing methods did not equal to conducting joint evaluations. Regarding capacity development at the country office level, they suggested that training could be organized jointly by the United Nations country team supported by the United Nations Evaluation Group (UNEG). They encouraged UNFPA to continue making its evaluation reports available through the UNFPA website and stressed that all evaluation reports should be available to DOS. One delegation asked when there would be a discussion in the Executive Board on the 2009 evaluation of the UNFPA humanitarian response, referred to in DP/FPA/2010/19. Another delegation thanked

UNFPA for its contributions to the Global Campaign to End Fistula. One delegation thanked UNFPA for the support provided by the Fund for its country's census.

130. A number of delegations stated that they had expected to see in the DOS report a systematic survey and information on the key findings and recommendations of evaluations carried out during the biennium under review. They called for a joint effort between DOS and UNFPA management to address the issue of the low number of evaluation reports. Some delegations asked if the biennial evaluation plan 2010-2011 offered a complete list of scheduled evaluations and noted that evaluations planned by DOS should be included in the complete list. It was stated that information on implementation and impact be included in the DOS evaluation report as well as in the UNFPA management response to be presented to the Executive Board annual session 2012. Also, DOS was asked to include information in future reports on the conclusions and recommendations of evaluations.

131. Delegations encouraged UNFPA to take further steps towards evidence-based programming and to make better and more systematic use of evaluation findings by incorporating lessons learned into subsequent programme cycles. Some delegations encouraged joint evaluations and hoped that future evaluation reports would contain the salient findings of evaluations, especially recurrent findings. One delegation asked if there were sufficient human resources available to implement the new evaluation policy throughout UNFPA.

132. The Executive Director thanked the Executive Board members for their guidance and assured them that UNFPA was committed to accountability. She underscored the independence of DOS and appreciated the work of the DOS Director. She drew the Board's attention to the issue of attribution and contribution, noting that long discussions had taken place on the issue when the Fund's strategic plan was being developed. She emphasized that it was again time to focus attention on the subject, particularly in light of the one common country programme where it was necessary to think about how evaluations would be conducted regarding the contributions of the United Nations funds and programmes and national governments. She noted that the "nested approach" to evaluation also raised complex questions concerning attribution and contribution. Referring to the issue of capacity, she called on the Board to assist UNFPA in addressing the issue of resources for evaluation. She hoped that in the next budget the Board would allow for additional resources to further strengthen evaluation in UNFPA. She also invited the Board members to consider having a thematic discussion on how to move forward on audit and evaluation in the new programming and funding environment, with an emphasis on national leadership and ownership.

133. The Deputy Executive Director (Programme) thanked the delegations for their constructive comments and appreciated that they had recognized the steps taken by UNFPA to strengthen evaluation. She concurred that additional efforts were needed to improve the quality and timing of evaluations and to enhance lesson learning from evaluations. She noted that joint training was already undertaken within the United Nations Development Group and UNFPA would look into expanding it. She stated that UNFPA had taken note of the advice and suggestions offered by the Executive Board members and would incorporate them in its work. Also, DOS would be requested to add to the list of planned evaluations. She thanked the Government of Switzerland for continuing the secondment of a staff member to the

Fund's Evaluation Branch and she appealed to other Board members to consider seconding staff for evaluation to either DOS or the Fund's Programme Division.

134. The Director, DOS, thanked the delegations for their comments and assured them that comments pertaining to the DOS reports would be taken into account in the next biennial report.

135. The Executive Board adopted decision 2010/26: Biennial report on evaluation.

XVIII. Other matters

Role of UNDP and UNFPA regional offices

136. The UNDP Associate Administrator and the UNFPA Deputy Executive Director (Programme) provided an overview of the role of UNDP and UNFPA regional offices.

137. One delegation asked about policy dialogue and whether strategic planning occurred at country and regional levels in relationship to the strategic plans of the respective organizations. Another delegation noted the synergy of co-location and asked what measures were taken to ensure synergy in cases where regional offices were not co-located.

138. The UNDP Associate Administrator highlighted inter-agency collaboration and mechanisms for support of policy dialogue.

139. The UNFPA Deputy Executive Director (Programme) noted that the Fund's regional priorities were broadly derived from the UNFPA strategic plan, 2008-2013, which in turn was driven by country and regional priorities. She provided a number of specific examples to illustrate the point. She concurred regarding the synergies resulting from co-location and noted that during 2012-2013 there would be an evaluation of the Fund's regionalization. She noted that harmonization and alignment were at the core of co-location and where UNFPA was not co-located with UNDP it was co-located with other United Nations organizations, wherever feasible.

Other events

140. The following panel discussions/briefings took place:

(a) *Special event panel discussion — Eradicating poverty: Why sexual and reproductive health matters*. The President of the Executive Board chaired the special event and presentations were made by the Minister of State for Finance, Planning and Economic Development, Uganda; an associate professor from Georgetown University, United States of America; the Deputy Director, FP/RH for Health Policy Initiative Project, Futures Group International, United States of America; and a health economist and health systems expert from Nigeria. Concluding remarks were delivered by the Executive Director, UNFPA.

(b) *Joint side event on humanitarian and emergency response — Sexual and reproductive health in crises, recovery and beyond: Not just a women's issue*. The Director-General for International Cooperation, Ministry of Foreign Affairs, the Netherlands, chaired the side event and presentations were made by the Minister of

Women's Affairs, Haiti; the Chief, Humanitarian Response Branch, UNFPA; a
Senior Recovery Adviser, BCPR/UNDP.

(c) *Panel on the role of UNDP, UNFPA and UNOPS in capacity develo and aid/development effectiveness*. Presentations were made by the As Administrator and Director, Bureau of Development Policy, UNDP; the D Technical Division, UNFPA; and the Deputy Executive Director, UNOPS.

(d) *UNDP informal briefing on the MDG International Assessmen* presentation was made by the Assistant Administrator and Director, Bur Development Policy, UNDP.

United Nations DP/2010/34

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Organizational matters

Decisions adopted by the Executive Board at its annual session 2010

(21 June-2 July 2010, Geneva)

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2010/13
Annual report of the Administrator on the strategic plan: performance and results for 2009

The Executive Board

1. *Takes note of* the annual report of the Administrator on the UNDP strategic plan: performa and results for 2009 (DP/2010/17);

2. *Welcomes* the enhanced focus on results as well as the enhanced analytical information provi on challenges, opportunities and remedial action in the annual report and *requests* UNDP to furt strengthen its efforts in this regard in future reports including improved communication dissemination of activities, performance and results;

3. *Stresses* the importance of championing and supporting national capacity to achieve internationally agreed goals, including the Millennium Development Goals (MDGs) in particu and in this regard requests the management of UNDP to make further efforts in building the capa of UNDP to deliver on its results and improve its results management, evaluation and reporting o capacity-developing efforts;

4. *Encourages* UNDP to integrate gender equality and capacity development results throughout annual report of the Administrator and *calls upon* UNDP to continue to improve performance these cross-cutting issues;

5. *Encourages* UNDP to strengthen its support to conflict and crisis prevention in accordance w its mandate, and in this regard *requests* UNDP to provide an informal session on the BCPR revie its next regular session in September 2010;

6. *Welcomes* the UNDP business action plan and looks forward to regular updates in the Execut Board;

7. *Encourages* UNDP to strengthen its strategic partnerships in climate change;

8. *Welcomes* the inclusion of challenges and lessons learned for future directions in the ann report of the Administrator and *requests* UNDP to include in its future annual reports, startin 2011, concrete steps to address the challenges and build on lessons learned and recommendations;

9. *Endorses* the decision for a combined midterm review, including the annual report for 201 the UNDP strategic plan, to be submitted to the Board at its annual session 2011, and *welcomes* opportunity to sharpen the strategic direction and to undertake a thorough review of the res framework with the aim of making improvements in 2011 and defining further improvements to made during the remaining years of the strategic plan period;

10. *Emphasizes* the importance of regular discussions of substantive policy issues related to mandate of UNDP in the Executive Board UNDP/UNFPA, on the basis of reports prepared by Administrator of UNDP for this purpose;

11. *Requests* the Administrator of UNDP to provide informal briefings on the four main them areas of the strategic plan before the first regular session of 2011, in light of the midterm review the strategic plan during the annual session of 2011;

12. *Notes with concern* that some developing countries, including those that have been hardest hit the financial and economic crisis and those affected by conflict and natural disasters, are lagg behind in achieving the MDGs by 2015 and, in this regard, *requests* the Administrator to ensure programme activities are designed, implemented and adequately resourced to address the challen of developing countries, particularly the specific needs and challenges of Africa;

13. *Recalling* its decisions 2008/15 and 2008/14, which, inter alia, urged UNDP to give top prio to achieving the MDGs and eradicating poverty and, in acknowledging the catalytic role of UND

this regard, *calls upon* the Administrator to further intensify efforts to accelerate progress towards the achievement of the MDGs by 2015, in particular in programme countries, and to report on developments at its annual sessions;

14. *Recognizes* the growing and significant contribution towards the achievement of the MDGs through South-South and triangular cooperation and *requests* the Administrator of UNDP to continue to provide greater support to South-South and triangular cooperation with a view to deepening collaboration towards improved development results;

15. *Recognizes* that highly qualified staff is key for UNDP to achieve its objectives as outlined in its strategic plan, and notes the value of a balanced and diverse representation among UNDP management and staff;

16. *Welcomes* the intergovernmental meeting of programme country pilots held in Kigali, Rwanda, in October 2009 and in Hanoi, Vietnam in June 2010, takes note with appreciation of the Kigali and Hanoi Declarations.

1 July 2010

2010/14

Funding commitments to UNDP and its funds and programmes for 2010 and onwards

The Executive Board

1. *Stresses* the importance of a stable, predictable base of regular ("core") resources for UNDP;

2. *Reaffirms* the principles of national ownership and leadership, and *stresses* the importance of enhancing the coherence of the United Nations development system;

3. *Notes* with concern that contributions to UNDP regular resources decreased from US$ 1.1 billion in 2008 to US$1 billion in 2009 and, thus, that UNDP has not been able to meet its 2009 funding target for regular resources set out in its strategic plan, covering the period 2008-2013;

4. *Further notes* with concern that according to current projections, contributions to UNDP regular resources may decrease further in 2010 and remain, at this point, highly unpredictable for the year 2011;

5. *Welcomes* efforts by the Administrator to mobilize regular resources and *urges* UNDP to further mobilize these resources and to continue to broaden the number of contributing countries;

6. *Recognizes* the importance of demonstrating and communicating development results;

7. *Recalls* General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system and *reiterates* that regular resources, by their untied nature, form the bedrock of UNDP finances;

8. *Acknowledges* the role of other ("non-core" or "earmarked") resources to UNDP as a supplement to the regular resource base of UNDP and that these resources have been increasing, *emphasizes* that other resources should always support coherence and national ownership of programme countries, and *notes* with concern that other resources continue to exceed regular resources of UNDP;

9. *Requests* all countries that have not yet done so to make contributions to regular resources for 2010; and *encourages* Member States to announce pledges, on a multi-year basis if feasible, and payment schedules, and to adhere to such pledges and payment schedules thereafter.

30 June 2010

2010/15
Annual report on evaluation

The Executive Board

1. *Takes note of* the annual report on evaluation in UNDP (DP/2010/19);

2. *Requests* UNDP to address the issues raised by independent evaluations and take action to ensure implementation and monitoring of the management responses;

3. *Notes with concern* the continuing and serious challenge of the coverage, compliance, quality and use of decentralized evaluations and in this regard requests UNDP, as a matter of priority, to strengthen decentralized evaluation capacity and increase its use in line with decision 2010/16 on the independent review of the UNDP evaluation policy and the management response;

4. *Welcomes* the timely completion of the assessments of development results so as to improve their value in the planning of new country programmes, the enhanced national participation and the use of national expertise in these assessments;

5. *Requests* UNDP to support national evaluation capacity development;

6. *Also requests* UNDP to address the issues raised by the assessments of development results concerning cross-cutting issues such as capacity development and gender mainstreaming: (a) lack of integration of gender specific aspects in the development activities, (b) adequate allocation of resources, and (c) weak coordination with the other UN agencies dealing with gender;

7. *Approves* the programme of work proposed by the Evaluation Office for 2010-2011 and *welcomes* its clear linkages with the UNDP strategic plan, 2008-2011.

30 June 2010

2010/16
Independent review of the UNDP evaluation policy and the management response

The Executive Board

1. *Welcomes* the independent review of the UNDP evaluation policy (DP/2010/20) and reiterates the importance of the evaluation policy for the organization;

2. *Takes note of* progress made, as well as issues and challenges in the implementation of the evaluation policy, as highlighted in the independent review;

3. *Welcomes* the management response to the independent review of the evaluation policy;

4. *Requests* UNDP to intensify its efforts to strengthen oversight and support for decentralized evaluation in order to increase the coverage, compliance, quality as well as use, and in this regard, emphasizes the importance of senior management commitment and accountability, in particular of regional bureaux directors;

5. *Emphasizes* the importance of embedding the effort to improve decentralized evaluation in the overall efforts of UNDP to enhance results-based management;

6. *Requests* UNDP to ensure that all country, regional and global programme documents come with costed and budgeted evaluation plans that cover the full range of intended contributions to development outcomes and that are designed to inform programme adjustments and development of new programmes;

7. *Further requests* that in the case of country programmes the evaluation plans are budgeted no later than at the time of adoption of the country programme action plan;

8. *Requests* also that UNDP ensures the evaluation work plan of the Evaluation Office is costed and that this cost is incorporated into the Biennial Support Budget (BSB) function related to evaluation;

9. *Further emphasizes* the importance of enhancing the evaluability of UNDP programmes as a prerequisite for effective programme design, continuous monitoring with national partners and evaluation;

10. *Underlines* the need to enhance the ownership and leadership of programme countries in evaluation and in this regard requests UNDP in collaboration with the other members of the United Nations Evaluation Group (UNEG) to clarify its roles in national evaluation capacity development;

11. *Welcomes* the increase in evaluation capacity of country offices in 2009 and requests UNDP to further decrease the high number of country offices counting with no or insufficient monitoring and evaluation capacities;

12. *Requests* UNDP to enhance participation in joint evaluations of UNDAF outcomes by government and contributing United Nations organizations while retaining an assessment of the distinctive UNDP contribution to the shared outcomes;

13. *Welcomes* the improvement in the submission of management responses to decentralized evaluations and encourages UNDP to further improve the submission and tracking of management responses to improve learning, accountability and transparency on evaluation follow-up and to share management responses with partner governments and other programme partners;

14. *Requests* UNDP to submit for approval at the first regular session 2011 of the Executive Board, a revised UNDP evaluation policy reflecting the following elements of the management response:

(a) Institutionalization of the independence of the Evaluation Office including the recruitment of the Director and Evaluation Office staff, relationships between the Director and other senior managers of UNDP, and the approval of the programme of work and the budget of the Evaluation Office;

(b) Strengthening country-level approaches and national involvement in independent and decentralized evaluations;

(c) Introduction of costed and budgeted evaluation plans as the compliance requirement for decentralized evaluation;

(d) Appropriate measures for proactive and strategic use of independent and decentralized evaluations by the senior management of UNDP; and

(e) Clarification of the roles of UNDP and the Evaluation Office, including UNEG, in national evaluation capacity development;

15. *Requests* the Evaluation Office to commission a further independent review of the UNDP evaluation policy to be presented to the Executive Board in 2013 covering inter alia:

(a) The degree to which the roles and responsibilities laid out in the 2007 programme and operations policies and procedures and the new Handbook on planning, monitoring and evaluating for development results have been fully and effectively implemented;

(b) The degree to which adoption of approaches advocated in the new *Handbook* have strengthened results-based management and decentralized evaluation at the country level;

(c) The degree to which independence of the Evaluation Office has been institutionalized;

(d) The degree to which the policy has been implemented and has made a positive contribution in the associated funds and programmes of UNDP; and

(e) Whether an effective approach to strengthening national ownership, and capacity building, has been identified and is being implemented.

30 June 2010

2010/17
Reports of the Ethics Offices of UNDP, UNFPA and UNOPS

The Executive Board

1. *Takes note of* the report of the Ethics Office of UNDP on its activities for 2009 (DP/2010/26), the ethics activities outlined in the UNFPA report on audit and oversight activities in 2009, and the 2009 UNOPS annual report of the Executive Director;

2. *Recognizes* the progress made in establishing the respective Ethics Offices and their valuable contributions to the operations of UNDP, UNFPA and UNOPS, and *encourages* the management of UNDP, UNFPA and UNOPS to include their respective heads of Ethics Offices in appropriate senior management meetings as observers, to encourage high standards of conduct and prevent institutional conflicts of interest;

3. *Requests* UNDP, UNFPA, and UNOPS to keep the Executive Board informed of progress in achieving their action plans, including evidence of impact and achievement;

4. *Encourages* the Ethics Offices to use feedback on the training provided to ensure that the training interventions continue to be effective and appropriate for UNDP, UNFPA and UNOPS personnel, and that they represent a good investment of resources;

5. *Also encourages* the Ethics Offices to continue to enhance their briefings, training and counselling services for management and staff;

6. *Recalls* its decision 2008/37 and its provisions with respect to avoiding conflicts of interest in the appointment of key oversight officers, and, in this regard, *requests* that the respective Ethics Offices of UNDP, UNFPA and UNOPS be designated as the responsible unit within each organization to review potential conflicts of interest for senior appointees who will perform control functions that are not covered by the appointment vetting processes of the Secretary-General;

7. *Requests* the management of UNDP, UNFPA and UNOPS to continue to provide the necessary human and financial resources to support their respective Ethics Offices to carry out their work effectively, with priority given to continuing to build the skills and capacity of the UNDP, UNFPA and UNOPS staff within the Ethics Offices;

8. *Requests* the Administrator of UNDP and the Executive Directors of UNFPA and UNOPS to: (a) appoint the heads of their respective Ethics Offices based on demonstrated abilities and experience in the relevant fields; (b) ensure that pre-appointment review for conflicts of interest is conducted by an independent entity; (c) limit the term of appointment to five full years, exceptionally renewable once, for a maximum of five years; and (d) bar re-entry into their respective organizations;

9. *Requests* the Ethics Offices of UNFPA and UNOPS to submit reports to the Executive Board at future annual sessions.

30 June 2010

2010/18
Report on results achieved by the United Nations Capital Development Fund in 2009

The Executive Board

1. *Takes note* of the report on results achieved by the United Nations Capital Development Fund (UNCDF) and *expresses* its appreciation of the strong programmatic and operational results achieved by UNCDF in 2009;

2. *Welcomes* the concrete and scalable contributions by UNCDF towards localizing the Millennium Development Goals (MDGs) in the least developed countries, by providing investment capital and technical assistance to promote local development and promote inclusive microfinance services that benefit poor households and small and micro enterprises; and *calls upon* UNCDF to include in future annual reports to the Executive Board more in-depth analysis on how UNCDF activities contributes to the achievement of the MDGs at the local level, including lessons learned and challenges faced;

3. *Encourages* UNCDF to continue its efforts to mobilize contributions to its regular resources or multi-year thematic contributions necessary to implement the UNCDF investment plan 2008-2011 which would allow UNCDF to sustain its services and investment support and expand to more least developed countries;

4. *Also encourages* UNCDF to make further efforts to increase and expand contributions to its regular resources, as well as to other resources, from Member States in a position to do so and other development partners;

5. *Welcomes* the efforts of UNCDF in improving its management practices and encourages further enhancement of these efforts, also *welcomes* the efforts of UNCDF to maintain strong programmatic quality while the programme portfolio grows in response to increasing demand from least developed countries.

1 July 2010

2010/19
United Nations Volunteers — Report of the Administrator

The Executive Board

1. *Takes note of* the annual report of the Administrator on the United Nations Volunteers (UNV) programme (DP/2010/28);

2. *Acknowledges the* achievements by UNV in support of programme countries and United Nations organizations in their efforts towards peace and development, including the Millennium Development Goals, environmental sustainability, and gender mainstreaming;

3. *Takes particular note* of the growth in the scale and scope of the UNV Online Volunteering service, and *encourages* UNV to continue its efforts to innovate and diversify volunteer modalities, and to increase gender balance in its assignments;

4. *Welcomes* the engagement of UNV with programme countries to build their capacity to manage national volunteer systems, including policy development, legislation and support for implementation;

5. *Encourages* UNV to continue working through the United Nations Country Teams to integrate volunteerism into programming, recognizing that national and international volunteers are an integral part of United Nations assistance;

6. *Recognizes* that the Special Voluntary Fund for UNV is supporting research and piloting of innovations that demonstrate the impact of volunteerism on peace and development;

7. *Reiterates* the role of UNV as the focal point to mark the tenth anniversary of the International Year of Volunteers in 2011, as requested by General Assembly resolution 63/153;

8. *Decides* that a presentation be made to the Executive Board at its annual session 2011 on planning for the tenth anniversary of the International Year of Volunteers in 2011 in its role as focal point, and on the fortieth anniversary of UNV.

30 June 2010

2010/20
Annual report of the Executive Director of the United Nations Development Fund for Women

The Executive Board

1. *Takes note of* the annual report of the Executive Director (DP/2010/29) and its results-based focus;

2. *Recognizes* United Nations Development Fund for Women (UNIFEM) support to programme countries as they advance agreed development priorities, including the Millennium Development Goals, by assisting national partners to link progress on the Goals with efforts to implement the Beijing Platform for Action and the United Nations Convention on the Elimination of All Forms of Discrimination against Women;

3. *Requests* UNIFEM to include in its future reports more elements related to the analysis of results achieved, lessons learned and remaining challenges;

4. *Welcomes* the midterm review of the strategic plan as an opportunity to sharpen the strategic direction and to undertake a thorough review of the results framework with the aim of making improvements in 2011 and defining remaining improvements to be made during the remaining period of the strategic plan;

5. *Notes* the ongoing General Assembly discussions regarding the creation of a new gender entity and *requests* UNIFEM to take all necessary and timely actions to ensure that the modalities agreed to by the General Assembly regarding transitional arrangements are completed within the deadline agreed upon by the General Assembly.

30 June 2010

2010/21
Annual report of the Executive Director of the United Nations Office for Project Services

The Executive Board

1. *Takes note* of the annual report of the Executive Director (DP/2010/30) and the wide-ranging contributions to the operational results of the United Nations and its partners, often in the most challenging environments;

2. *Welcomes* the improved financial position of the United Nations Office for Project Services (UNOPS) and the increased professionalism of its services and personnel;

3. *Welcomes* the full replenishment of operational reserves and accrual for all end-of-service liabilities, marking the restoration of the financial sustainability of the organization and reconfirming the viability of its self-financing business model;

4. *Welcomes* the strengthening of strategic partnerships and contribution to results, and *encourages* the Executive Director, while bearing in mind the core mandate of UNOPS and with the aim to enhance United Nations coherence, to further enhance engagements as a service provider to various

actors in the development, humanitarian and peacekeeping arena, including the United Nations, governments, intergovernmental institutions, international and regional financial institutions, foundations, private sector and non-governmental organizations;

5. *Encourages* the Executive Director to continue efforts aimed to integrate national capacity development in its operations;

6. *Welcomes* the efforts of the Executive Director towards attaining a greater degree of transparency and accountability, and in particular the complete public disclosure of project data, including information on all contracts awarded and payments made, irrespective of the amount.

29 June 2010

2010/22
Reports of UNDP, UNFPA and UNOPS on internal audit and oversight

The Executive Board

1. *Takes note of*: (a) the UNDP report on internal audit and investigations (DP/2010/31) and the corresponding management response; (b) the report on UNFPA internal audit and oversight activities in 2009 (DP/FPA/2010/20) and the corresponding management response; and (c) the activity report for 2009 of the Internal Audit and Investigations Group of the United Nations Office for Project Services (DP/2010/32) and the corresponding management response;

2. *Takes note of*: (a) the annual report of the Audit Advisory Committee of UNDP; (b) the annual report of the Audit Advisory Committee of UNFPA; and (c) the annual report of the Strategy and Audit Advisory Committee of UNOPS;

3. *Welcomes* the ongoing focus on key and recurrent management issues and on risk-based audit planning;

4. *Welcomes* the compliance of UNDP, UNFPA and UNOPS with decisions 2008/37 and 2009/15 on the disclosure of internal audit reports, including on the reporting of disclosure activities in their respective annual reports;

5. *Requests* the Administrator of UNDP and the Executive Directors of UNFPA and UNOPS to submit a coordinated conference room paper to the Executive Board at its second regular session 2011, outlining the implications of the emerging demand for greater information disclosure of the internal audit reports of UNDP, UNFPA and UNOPS, including options for responding to the need for relevant information;

With regard to UNDP,

6. *Expresses* its continuing support to strengthening the internal audit and investigation functions of UNDP, and *welcomes* the information in the report and the variety of strategic subjects covered by the work of the Audit Advisory Committee, which contribute to stronger accountability and oversight in UNDP;

7. *Welcomes* the multi-year trend analysis of internal audit issues over the five-year period, 2005-2009, and *requests* continuing reporting in this regard in future reports;

8. *Acknowledges* the UNDP contributions to greater coherence in the internal audit practices of the United Nations system;

9. *Notes* the significant increase in complaints requiring investigation and *requests* UNDP to ensure appropriate and timely capacity for investigation;

10. *Notes* that the number of audit recommendations that remain outstanding after more than 18 months has remained relatively stable, and *requests* UNDP to maintain its follow-up efforts for implementing those recommendations, and, in particular, those within its scope of control requiring assistance from within the organization or an improved alignment of resources;

11. *Notes* with concern the increasing proportion of findings in project management, in particular in country offices, *and takes note of* ongoing efforts to address systemic weaknesses at all levels, including in the areas of supervision, corporate practices and training, and requests management to continue to address these issues with a view to demonstrating improvements in the next report;

12. *Welcomes* the continuing trend of declining financial exposure in audits for projects executed by non-governmental organizations and/or national governments, and, in this regard, *urges* UNDP to sustain its efforts, as well as to ensure the timely submission of audit reports;

13. *Requests* the Office of Audit and Investigations to include in its next annual report, information on the adequacy of resources available for audit and investigations;

With regard to UNFPA,

14. *Notes* the commitment of UNFPA to the continued strengthening of its accountability and assurance process, and *urges* the Executive Director to continue to: (a) improve the implementation of an internal control framework in line with internationally recognized best practices, taking into account the need for consistency with the international public sector accounting standards; (b) implement enterprise risk management; and (c) fill vacant posts in the Division for Oversight Services to ensure appropriate audit and investigation coverage;

15. *Recalls* decisions 2006/13 and 2008/13, and *requests* UNFPA to complement its future annual reports on audit and oversight issues by providing summarized information on: (a) key findings with multi-year comparisons of trends in audit causes; (b) unresolved audit findings by year, category and priority levels; (c) findings that have remained unresolved for 18 months or more; and (d) the most significant recurrent oversight issues and recommendations to address them;

16. *Looks forward to* an assessment of the adequacy of human and financial resources for audit and investigation purposes in the next report by the Division for Oversight Services;

17. *Notes* the significant increase in complaints requiring investigation, *requests* UNFPA to take the necessary action to achieve an appropriate alignment of related resources to ensure appropriate and timely capacity for investigation, and *urges* UNFPA to establish a fraud detection and prevention programme to minimize financial losses;

18. *Welcomes* the continuing priority of UNFPA to address findings relating to the national execution modality by addressing the operational risks and weaknesses identified in the audit reports, with particular attention given to the capacity-building of country offices and implementing partners, and *requests* UNFPA to ensure adequate supervision and controls to address weaknesses, especially local programme and project monitoring, outstanding balances and timely submission of national execution audit plans and reports, and to inform the Executive Board of progress in this regard;

19. *Recalls* the oversight policy and the internal audit charter and *reiterates* that the Division for Oversight Services has full, free and unrestricted access to any and all UNFPA records, physical properties and personnel relevant to any functions of UNFPA under review, and *reiterates* that all employees are obliged to assist the Division in fulfilling its role;

20. *Reiterates* that the Division for Oversight Services is independent and that its Director has the final say on audit reports issued by the Division and has the independence to report directly to the Executive Board on all engagements conducted by the Division for Oversight Services, and *suggests*

that future reports be entitled the Report of the Director of the Division for Oversight Services on internal audit and oversight activities;

21. *Requests* UNFPA to strengthen compliance with institutional policies, procedures and financial regulations and rules and to adopt an appropriate segregation of duties with regard to financial transactions, including procurement;

22. *Welcomes* the improved tracking by the Division for Oversight Services of the implementation of audit recommendations, *requests* that future reports summarize the number of audit recommendations by priority level and *urges* UNFPA to accelerate the implementation of outstanding recommendations;

With regard to UNOPS,

23. *Welcomes* the increased internal audit coverage in 2009, the broadening of the focus of work beyond compliance to include performance-based auditing, and the improvements made in tracking the implementation of recommendations;

24. *Takes note of* ongoing work to establish a structured, organization-wide risk management system, and *looks forward to* learning more about the system when it is established;

25. *Notes* the recurrent audit findings in the areas of human resources, project and programme management, procurement and finance; and *also notes* that the lack of written procedures and the significant increase in the lack of compliance with UNOPS policies and procedures are the most common causes of findings;

26. *Notes*, in this regard, that the management of UNOPS has revised or adopted new policies to address various audit recommendations, including the individual contractor agreement policy, *urges* continued effort by UNOPS to address audit findings, and *looks forward to* improvements in findings in future reports;

27. *Takes note of* the continuing decrease in the percentage of qualified audit opinions for project audits in 2009, compared with 2008 and 2007, and *requests* that information on the financial impact of audit findings be incorporated in future reports.

1 July 2010

2010/23
Report of the Executive Director for 2009: progress and achievements in implementing the UNFPA strategic plan

The Executive Board

1. *Takes note* of the documents that make up the report of the Executive Director for 2009: DP/FPA/2010/17 (Part I), DP/FPA/2010/17 (Part I, Add.1) and DP/FPA/2010/17 (Part II);

2. *Welcomes* the achievements and progress delineated in the report of the Executive Director for 2009 and *takes note* of the inclusion of baselines and targets in response to decision 2009/16, along with the update on the strategic plan development and management results indicators;

3. *Encourages* UNFPA to continue to improve its results-oriented reporting to the Executive Board and *looks forward* to progress in this regard in the annual reports starting from 2011, including better demonstration of its contribution to achieved outcomes;

4. *Welcomes* the inclusion of challenges and lessons learned for future directions in the annual report of the Executive Director, and *requests* UNFPA to include in its future annual reports, starting

from 2011, concrete steps to address the challenges and build on lessons learned and recommendations;

5. *Welcomes* the midterm review of the strategic plan as an opportunity to sharpen the strategic direction and to undertake a thorough review of the results framework with the aim of making improvements in 2011 and defining remaining improvements to be made in the strategic plan for 2014-2017;

6. *Welcomes* the continued efforts of UNFPA in providing disaggregated data by sex, age, location and income;

7. *Commends* UNFPA for its commitment and continued efforts in meeting the targets of the Programme of Action of the International Conference on Population and Development and other internationally agreed development goals, especially the health-related Millennium Development Goals, and *calls* upon the Executive Director to further intensify efforts in programme countries that are having problems in meeting those goals and targets;

8. *Emphasizes* the importance of regular discussions of substantive policy issues related to the mandate of UNFPA in the Executive Board, on the basis of reports prepared by the Executive Director of UNFPA for this purpose;

9. *Requests* the Executive Director of UNFPA to provide briefings on the three main thematic areas of the strategic plan before the first regular session of 2011, in the light of the midterm review of the strategic plan during the annual session 2011;

10. *Requests* the Executive Director to submit, at the annual session 2011 of the Executive Board, a consolidated annual report for 2010 that includes the midterm review of the extended strategic plan, 2008-2013.

25 June 2010

2010/24

Report on contributions by Member States and others to UNFPA and revenue projections for 2010 and future years

The Executive Board

1. *Takes note* of the report on contributions by Member States and others to UNFPA and revenue projections for 2010 and future years (DP/FPA/2010/18);

2. *Welcomes* the increase in the 2009 regular income level of UNFPA and *also welcomes* the contributions made by programme countries;

3. *Emphasizes* that regular resources are the bedrock of UNFPA and essential to maintaining the multilateral, neutral and universal nature of its work, and *encourages* UNFPA to further mobilize these resources and continue to broaden the number of contributing countries, while also continuing to mobilize supplementary resources for its thematic funds and programmes;

4. *Recognizes* that sustaining and improving the UNFPA funding level will require countries that are in a position to do so to increase their contributions during the period of the UNFPA strategic plan, 2008-2013;

5. *Encourages* all countries that are in a position to do so to make contributions early in the year and to make multi-year pledges;

6. *Emphasizes* that UNFPA needs strong political support and increased financial support, as well as increased and predictable core funding, in order to enhance its assistance to countries to fully

integrate the agenda of the International Conference on Population and Developme development strategies and frameworks and to achieve the internationally agreed dev including the Millennium Development Goals.

2010/25
Request by the United Republic of Tanzania to present a draft common countr document to the Executive Boards of UNDP/UNFPA, UNICEF and WFP

The Executive Board,

Recalling its decisions 2001/11 and 2006/36 on the programming approval process,

1. *Notes* the request of the United Republic of Tanzania to present a draft co programme document incorporating a common narrative with agency-specific comp frameworks and related resource requirements for UNDP, UNFPA, UNICEF and WFI

2. *Notes further* that the draft common country programme document will be discussion by the respective agencies during the first regular session 2011 and for a respective agency component during the annual session 2011;

3. *Decides* to consider the draft common country programme document of the Unit Tanzania on an exceptional basis;

4. *Decides further* that the revised common country programme document will be websites of the respective organizations no later than six weeks after the discussi copy of the revised document will be provided, upon request, to Executive Board m secretariat;

5. *Stresses* that, in line with Executive Board decisions 2001/11 and 2006/3 component of the common country programme document will be approved on a no-o without presentation or discussion, unless at least five members have informed the writing before the meeting of their wish to bring the common country programme do the Executive Board.

23 Ju

2010/26
Biennial report on evaluation

The Executive Board

1. *Takes note* of the biennial report on evaluation (DP/FPA/2010/19) and the management response;

2. *Welcomes* the actions of UNFPA to strengthen its human resources throughout the order to implement the evaluation policy, and the commitment to invest in sta evaluation, including in results-based management, evaluation design, implementation and conduct;

3. *Emphasizes* that building lessons learned into future policies, programmes an essential, and *stresses* the importance of implementing the system to ensure a system and follow-up of decentralized evaluation recommendations and to disseminate lesson

4. *Recognizes* that evidence-based methodologies are a necessary condition for the evaluability of programmes and projects, and, in that regard, *welcomes* the commitment of UNFPA to develop guidelines on evidence-based programming in 2010, as requested in decision 2009/18;

5. *Underlines* the need to enhance the ownership and leadership of programme countries in evaluation activities, and, in this regard, *requests* UNFPA, in compliance with General Assembly resolution 62/208, to collaborate with other United Nations institutions to optimize the capacity-building of implementing partners;

6. *Recalls* decisions 2008/12 and 2009/18, *requests* that the biennial evaluation plan include decentralized and centralized evaluations, and *reiterates* its request that the evaluation plan relate to the existing strategic plan of UNFPA to enable the Division for Oversight Services to provide reasonable assurance on the findings of evaluations, including lessons learned and the impact on programmes;

7. *Welcomes* the priority of UNFPA to conduct end-of-cycle country programme evaluations in the current biennium during the penultimate year of the country programmes, and, in that regard, *looks forward* to seeing end-of-cycle country programme evaluations and budgeted country programme evaluation plans being presented together with the country programme documents from the annual session 2011 of the Executive Board;

8. *Stresses* the importance of involving the participation of national counterparts and, where relevant, United Nations partners, in improving the design and implementation of programming and in strengthening the evaluability of country programmes, including attention to meaningful indicators, baseline data and the means to verify progress;

9. *Acknowledges* the steps taken by UNFPA to strengthen oversight and support for decentralized evaluation in order to increase its coverage, compliance and quality, as well as its use, and, in this regard, *emphasizes* the importance of the further commitment of senior management to intensify these efforts;

10. *Reiterates* that, in accordance with the oversight policy and the internal audit charter, the Division for Oversight Services has access to all documents in UNFPA, *expresses* concern regarding the low submission rates for evaluations to the Division of Oversight Services, and *requests* UNFPA to comply with policies and procedures and submit all evaluations and corresponding management responses as a matter of priority, through the development of a database allowing the monitoring of compliance;

11. *Notes* the findings of the 2009 evaluation quality assessment in the report, including the decline in the proportion of evaluations meeting standards for evaluating programme relevance and impact, and *welcomes* the commitment of UNFPA to address weaknesses in evaluation quality in order to improve evidence-based programming;

12. *Reiterates* its request that future biennial reports on evaluation address, inter alia, findings and recommendations of evaluations, analysis of the factors affecting quality, and the follow-up to evaluations conducted by UNFPA;

13. *Welcomes* the intention of UNFPA to improve the compliance rate of evaluation reports posted on its website, as requested in decision 2009/18, and *requests* easy access to these reports;

14. *Reiterates* that the Director of the Division for Oversight Services has the independence to report directly to the Executive Board on all engagements conducted by the Division for Oversight Services;

15. *Notes* the relevance of the findings of evaluations for the preparation of the midterm review of the strategic plan in 2011;

16. *Welcomes* the initiative of UNFPA management in developing a matrix to monitor the response of the organization to the biennial report on evaluation, and *requests* that the response be considered in the context of the midterm review of the strategic plan;

17. *Decides* to discuss the thematic evaluations of UNFPA in the Executive Board, starting with the evaluation of UNFPA humanitarian response at the second regular session 2010;

18. *Looks forward* to the review of the UNFPA evaluation policy at the annual session 2012 of the Executive Board, including an assessment of the adequacy of human and financial resources allocated to evaluation.

25 June 2010

2010/27
Overview of decisions adopted by the Executive Board at its annual session 2010

The Executive Board

Recalls that during its annual session 2010, it:

Item 1
Organizational matters

Approved the agenda and work plan for its annual session 2010 (DP/2010/L.2 and DP/2010/L.2/Corr.1);

Approved the report of the first regular session 2010 (DP/2010/15);

Agreed to the following schedule of future sessions of the Executive Board in 2010:

Second regular session 2010: 30 August to 3 September 2010;

Adopted the tentative work plan for the second regular session 2010 of the Executive Board.

UNDP segment

Item 2
Annual report of the Administrator

Adopted decision 2010/13 on the annual report of the Administrator on the strategic plan: performance and results for 2009;

Took note of the report of UNDP on the recommendations of the Joint Inspection Unit in 2009 (DP/2010/17/Add.1), and the statistical annex (DP/2010/17/Add.2).

Item 3
Funding commitments to UNDP

Adopted decision 2010/14 on the status of regular resources funding commitments to UNDP and its funds and programmes for 2010 and onwards.

Item 4
Evaluation

Adopted decision 2010/15 on the annual report on evaluation in UNDP;

Adopted decision 2010/16 on the independent review of the UNDP evaluation policy and the management response;

Took note of the evaluation of the regional programme for Europe and the Commonwealth of Independent States, 2006-2010 (DP/2010/22), and the management response (DP/2010/23).

Item 5
Human Development Report

Took note of the update on *Human Development Report* consultations (DP/2010/24).

Item 6
Country programmes and related matters

Took note of the first extension of the country programmes for Albania, Bangladesh, Cape Verde, Chad, Ghana, Guyana, Kyrgyzstan, Mauritania, Seychelles, South Africa, Ukraine and Viet Nam for a period of one year (DP/2010/25, table 1);

Took note of the six-month extension of the country programme for the United Republic of Tanzania (DP/2010/25, table 1);

Approved the second one-year extension of the country programme for Zimbabwe (DP/2010/25, table 2);

Approved the first two-year extension of the country programmes for Namibia, Nepal and Sierra Leone (DP/2010/25, table 2);

Took note of the following regional and draft country programme documents and the comments made thereon:

Africa

Draft country programme document for Swaziland (DP/DCP/SWZ/2);

Arab States

Draft country programme document for Iraq (DP/DCP/IRQ/1);
Draft country programme document for Libyan Arab Jamahiriya (DP/DCP/LBY/2);

Asia and the Pacific

Draft country programme document for Cambodia (DP/DCP/KHM/2);
Draft country programme document for China (DP/DCP/CHN/2);

Europe and the Commonwealth of Independent States

Draft regional programme document for Europe and the Commonwealth of Independent States (DP/RPD/REC/2);
Draft country programme document for Azerbaijan (DP/DCP/AZE/2/Rev.1);
Draft country programme document for Belarus (DP/DCP/BLR/2 and Corr.1);
Draft country programme document for Georgia (DP/DCP/GEO/2/Rev.1);
Draft country programme document for Serbia (DP/DCP/SRB/1 and DP/DCP/SRB/1/Add.1)
Draft country programme document for Turkey (DP/DCP/TUR/2).

Item 7
Report of the Ethics Offices of UNDP, UNFPA and UNOPS

Adopted decision 2010/17 on the report of the Ethics Office of UNDP for 2009.

Item 8
United Nations Capital Development Fund

Adopted decision 2010/18 on the report on results achieved by UNCDF in 2009.

Item 9
United Nations Volunteers

Adopted decision 2010/19 on the report of the Administrator on United Nations Volunteers.

Item 10
United Nations Development Fund for Women

Adopted decision 2010/20 on the annual report of the Executive Director of UNIFEM.

UNOPS segment

Item 11
United Nations Office for Project Services

Adopted decision 2010/21 on the annual report of the Executive Director of UNOPS.

Joint segment

Item 12
Internal audit and oversight

Adopted decision 2010/22 on the reports of UNDP, UNFPA and UNOPS on internal audit and oversight.

Item 13
Field visits

Took note of the following reports:

(a) Report on the joint field visit to Rwanda (DP-FPA/2010/CRP.1);

(b) Report on the UNDP/UNFPA field visit to the Syrian Arab Republic (DP/2010/CRP.2-DP/FPA/2010/CRP.1).

Items 6 and 16
Country programmes and related matters

Adopted decision 2010/25 on the request by the United Republic of Tanzania to present a draft common country programme document to the Executive Boards of UNDP/UNFPA, UNICEF and WFP.

UNFPA segment

Item 14
Annual report of the Executive Director

Adopted decision 2010/23 on the report of the UNFPA Executive Director for 2009: progress and achievements in implementing the UNFPA strategic plan.

Item 15
Funding commitments to UNFPA

Adopted decision 2010/24 on the report on contributions by Member States and others, and revenue projections for 2010 and future years.

Item 16
Country programmes and related matters

Took note of the one-year programme extensions for Albania, Bangladesh, Cape Verde, Chad, Ghana, Mauritania, Myanmar, Somalia, South Africa, Ukraine and Viet Nam;

Took note of the six-month programme extension for the United Republic of Tanzania;

Approved the two-year programme extensions for Namibia, Nepal, Pakistan and Sierra Leone;

Approved the second one-year programme extension for Iran (Islamic Republic of);

Took note of the following draft country programme documents and the comments made thereon:

Africa

Draft country programme document for Swaziland (DP/FPA/DCP/SWZ/5)

Arab States

Draft country programme document for Iraq (DP/FPA/DCP/IRQ/1)

Draft country programme for the Occupied Palestinian Territory (DP/FPA/DCP/OPT/4)

Asia and the Pacific

Draft country programme document for Cambodia (DP/FPA/DCP/KHM/4)

Draft country programme document for China (DP/FPA/DCP/CHN/7)

Draft country programme document for the Democratic People's Republic of Korea (DP/FPA/DCP/PRK/5)

Eastern Europe and Central Asia

Draft country programme document for Azerbaijan (DP/FPA/DCP/AZE/3)

Draft country programme document for Belarus (DP/FPA/DCP/BLR/1)

Draft country programme document for Georgia (DP/FPA/DCP/GEO/2)

Draft country programme document for Turkey (DP/FPA/DCP/TUR/5)

Item 17
Evaluation

Adopted decision 2010/26 on the biennial report on evaluation.

Item 18
Other matters

Held the following briefings and events:

UNDP

Briefing on the international assessment of the Millennium Development Goals;

Reception and opening of the photo exhibition: *Picture this: caring for the earth*;

UNFPA

Special event panel discussion on eradicating poverty: why sexual and reproductive health matters;

UNDP/UNFPA

Joint side event on humanitarian and emergency response;

UNDP/UNFPA/UNOPS

Panel on the role of UNDP, UNFPA and UNOPS in capacity development and development effectiveness.

1 July 2010

TENTATIVE WORKPLAN
EXECUTIVE BOARD OF UNDP/UNFPA
SECOND REGULAR SESSION 2010
(30 August to 3 September 2010, New York)

Day/date	*Time*	*Item*	*Subject*
Monday, 30 August	10 a.m. – 1 p.m.	1	ORGANIZATIONAL MATTERS • Adoption of the agenda and workplan for the session • Adoption of the report of the annual session 2010 **UNFPA segment** STATEMENT BY THE UNFPA EXECUTIVE DIRECTOR
	3 – 5:30 p.m.	 8	STATEMENT BY THE UNFPA EXECUTIVE DIRECTOR (cont'd) UNFPA COUNTRY PROGRAMMES AND RELATED MATTERS • Approval of country programmes • Draft country programme documents
	5:30 - 6 p.m.		*Informal consultations on draft decisions*
Tuesday, 31 August	10 a.m. – 12 p.m.	7	EVALUATION • Evaluation of the UNFPA humanitarian response
	12 – 1 p.m.		*Informal consultations on draft decisions*
	3 – 5:30 p.m.	 5 6	**Joint segment** FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS • Joint UNDP/UNFPA/UNICEF report on harmonized budget methodologies FOLLOW-UP TO UNAIDS PROGRAMME COORDINATING BOARD MEETING • Report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS
	5:30 – 6 p.m.		*Informal consultations on draft decisions*
Wednesday, 1 September	10 a.m. – 1 p.m.	 2	**UNDP segment** STATEMENT BY THE ADMINISTRATOR UNDP: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS • Annual review of the financial situation, 2009
	3 – 5:30 p.m.	2	UNDP: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS (cont'd)
	5:30 - 6 p.m.		*Informal consultations on draft decisions*

Thursday, 2 September	10 a.m. – 1 p.m.	3	UNDP COUNTRY PROGRAMMES AND RELATED MATTERS • Approval of country programme documents • Draft country programme documents • Extensions of country programmes • Assistance to Myanmar – Note by the Administrator
	3 – 4 p.m.		**UNOPS segment**
		4	UNOPS • Annual statistical report on the procurement activities of United Nations system organizations 2009
	4 - 5 p.m.		*Farewell ceremony for the UNFPA Executive Director*
	5 – 6 p.m.	9	OTHER MATTERS • Adoption of pending decisions
		1	ORGANIZATIONAL MATTERS • Draft workplan for 2011 • Tentative workplan for the first regular session 2011
Friday, 3 September			

United Nations DP/2010/35

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
27 July 2010

Original: English

Second regular session 2010
30 August to 3 September 2010, New York
Item 2 of the provisional agenda
Financial, budgetary and administrative matters

Annual review of the financial situation, 2009*

Report of the Administrator

Summary

Total income (contributions, interest and other income) in 2009 was $5.79 billion; $6.03 billion in 2008, a 4 per cent reduction. Total contributions decreased by 3 per cent, from $5.50 billion in 2008 to $5.34 billion in 2009. In contrast to the decrease in total contributions, overall UNDP expenditures increased from $5.39 billion in 2008 to $5.53 billion in 2009, a 3 per cent increase.

Contributions to regular (core) resources decreased in 2009 by 8 per cent to $1.01 billion from a level of $1.10 billion achieved in 2008. While UNDP met the 2008 annual target for core resources as set out in the strategic plan, it fell short of the 2009 target of $1.25 billion by 19 per cent. Current projections for 2010 suggest a further decrease in core resources, and thus a widening gap between actual contributions and the projections contained in the strategic plan endorsed by the Executive Board in its decision 2007/32. UNDP expenditures related to regular resources increased by 11 per cent, from $1.05 billion in 2008 to $1.17 billion in 2009. Consequently, this has resulted in a reduction of unexpended regular resources close to the minimum threshold of liquidity requested by the Executive Board.

* The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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Other (non-core) resources contributions decreased by 1 per cent to $4.13 billion in 2009 from $4.16 billion in 2008; a figure which exceeded the estimate in the strategic plan. Among other resources contributions, bilateral donors' contributions and other non-bilateral/multilateral partners' contributions increased, whereas local resources provided by programme countries decreased. Other resources expenditure amounted to $4.18 billion in 2009, a similar level to 2008. Other resources represent an important complement to the regular, or un-earmarked, resource base of UNDP. The ability of UNDP to fulfil its multilateral mandate and to deliver effective capacity-building support for development is contingent upon sufficient core funding, which, with the help of earmarked funding, enables UNDP to pursue flexible, integrated management and programming, focused on long-term effectiveness and sustainable development results.

UNDP remains committed to its United Nations system-wide roles. The value of fund flows for multi-donor trust funds, joint programmes and support to other United Nations organizations totalled $1.78 billion in 2009, compared to $1.50 billion in 2008. This figure includes $1.25 billion for multi-donor trust funds and joint programmes for which UNDP serves as administrative agent, and $0.53 billion for management and operational services provided by UNDP.

Elements of a decision

The Executive Board may wish: (a) to take note of documents DP/2010/35 and DP/2010/35/Add.1; (b) note the continuing decrease in regular resources, which are necessary for UNDP to fulfil its mandate, to preserve its multilateral, impartial and universal character, and to provide adequate and secure regular funding base to support strategic and flexible management approaches focused on long-term effectiveness and sustainable development results; (c) to urge all member States to support UNDP in reaching resource targets set out in the strategic plan and to commit, as early as possible, contributions to UNDP regular resources for 2010 and onwards, if possible through multi-year pledges; and (d) to recall the importance of funding predictability, since the timeliness of payments of contributions is essential to avoid liquidity constraints in regular resources.

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I. Introduction

1. The present report provides an overview of the financial position of UNDP at the end of 2009 and the comparative figures for the year 2008. The analysis of UNDP activities at the aggregate level is followed by analyses of regular or core resources, "other" or non-core resources, including the United Nations Volunteers (UNV) programme, and the funds established by the General Assembly — the United Nations Capital Development Fund (UNCDF), the United Nations Development Fund for Women (UNIFEM) and other activities. Annex I reflects an overview of the aggregate figures and Annex II contains the definitions of the terms used in this document. Table 1 of the addendum to the present report (DP/2010/35/Add.1) continues with a summary of all activities undertaken by UNDP. The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report. The percentages in the body of the report reference data in the annexes.

II. UNDP overall

2. The present chapter provides a financial picture of UNDP operational activities in 2009 at the aggregate level. The year 2009 saw a drop in total income while the upward trend in expenditure continued. UNDP was funded by 18 per cent core resources and 78 per cent non-core resources. Of total resources, 4 per cent pertained to UNIFEM and UNCDF.

3. Total income is defined as the sum of contributions, interest income and other income. In 2009, total income dropped to $5.79 billion, which represents a decrease of 4 per cent compared to the 2008 income of $6.03 billion. Total contributions decreased by 3 per cent from $5.50 billion to $5.34 billion; interest income dropped to $0.10 billion ($0.18 billion in 2008) and other income to $0.35 billion ($0.36 billion in 2008).

4. Contributions to core resources decreased by 8 per cent in 2009 to a level of $1.01 billion, compared to $1.10 billion achieved in 2008. The integrated financial resources framework of the strategic plan, approved by the Executive Board in its decision 2007/32, projects contributions to UNDP to range from $5 billion in 2008 to $5.3 billion in 2011, with core resources increasing annually from $1.1 billion in 2008 to $1.55 billion in 2011. In 2008, the annual target of the strategic plan for core resources was met ($1.10 billion). In 2009, core resources fell short of the 2009 target of $1.25 billion by 19 per cent. In accordance with current projections, and subject to exchange rate fluctuations, core resources in 2010 are projected to further decrease to $0.97 billion and remain approximately 30 per cent below the 2010 strategic plan target of $1.40 billion.

5. Non-core contributions reached a total of $4.13 billion in 2009, just below the level of $4.16 billion reached in 2008. Bilateral contributions amounted to $1.56 billion in 2009, which represents an increase of 8 per cent compared to 2008 and exceeds the annual average of $1.25 billion estimated in the strategic plan. Non-core resources entrusted to UNDP by non-bilateral partners and multilateral funds reached $1.55 billion, which represents an increase of 15 per cent over 2008 and exceeds the annual average of $1.37 billion estimated in the strategic plan. Local resources, channelled through UNDP by programme country Governments

and other local partners in support of their own national development, amounted \$0.72 billion, a decrease of 25 per cent compared to 2008; a sharper reduction th projected in the strategic plan.

6. Other resources are earmarked to specific themes, programmes and activiti and represent an important complement to the unearmarked regular resource base UNDP. Contrary to the aim of the strategic plan to rebalance regular and oth resources, the ratio of regular to other contributions remains at approximately 1 The ability of UNDP to fulfil its mandate and to preserve its multilateral, impart and universal character depends upon an adequate and secure regular funding ba to support strategic and flexible management approaches focused on long-te effectiveness and sustainable development results. UNDP accords highest priority securing a stable and predictable base of regular resources and rebalancing the ra of regular to other resources. The integrated resources framework of the strateg plan, as approved by the Board in its decision 2007/32, requires further support member States if the prescribed targets are to be achieved in future years.

7. In contrast to the decrease in total contributions, total expenditure increased 2009. Total expenditure is composed of programme and non-programm expenditure, including the biennial support budget. Overall expenditure increas by nearly 3 per cent to \$5.53 billion in 2009, from \$5.39 billion in 2008.

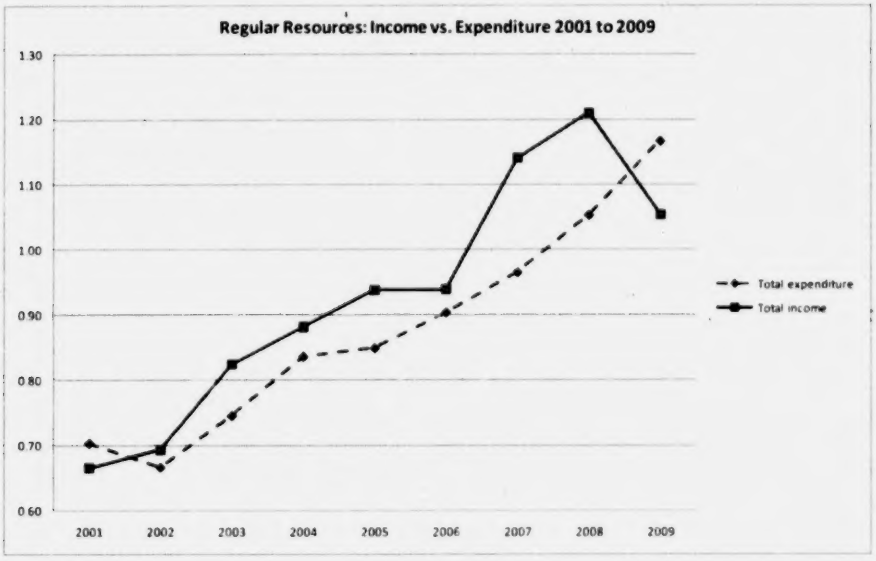
8. Total programme expenditure, which includes programme support to u resident coordinator system, development support services and the econom programme, amounted to \$4.53 billion, a 0.2 per cent increase over the 20 expenditure of \$4.52 billion. The balance of expenditures (non-programm including the biennial support budget) in 2009 amounted to \$1 billion (\$0.87 billi in 2008). Programme expenditure was funded according to the following source \$0.64 billion (14 per cent) was financed from regular resources of UND \$3.73 billion (82 per cent) from other resources; \$0.04 billion (1 per cent) fr UNCDF and \$0.12 billion (3 per cent) from UNIFEM.

9. The overall balance of unexpended resources at the end of 2009 w \$5.19 billion, compared to \$5.05 billion in 2008: \$4.55 billion under oth resources, \$0.05 billion under UNCDF and \$0.23 billion under UNIFEM. T relatively small increase is largely attributable to interest and other income. A to of \$1.93 billion, or 36 per cent of 2009 contributions, were received in the l quarter of 2009, and thus can only be programmed for future years' delivery. contrast, owing to the increased rate of core expenditure in 2009 (shown in figure the balance of unexpended regular resources dropped from \$499 million in 2008 \$354 million in 2009. At this point in time, the majority of unexpended resourc have been programmed and will result in future years' delivery.

10. The decrease in regular resources in 2009 (shown in figure I below), wh combined with the trend of increased expenditure, has led to a drop in the regul resources liquidity level of the organization. At the end of 2009, the UNDP year-e liquidity position represented approximately three and a half months of worki capital. This is close to the minimum threshold of liquidity requested by t Executive Board, equivalent of three to six months of regular resources expenditu UNDP did not draw from its operational reserve in 2009. The impact on t organization of this drop in liquidity in regular resources is compounded by the la of fungibility of other resources. It is important that Member States adhere to th

contribution commitments on a timely basis in order for UNDP to achieve effective programme planning and results.

Figure 1
Regular resources income, comparison to expenditures 2001-2009
(in billions of dollars)



11. UNDP remains committed to United Nations reform initiatives, and the optimization of its country-level coordination role in the support of national development efforts. UNDP encourages donors to maintain this commitment, reflected in the significant resources that UNDP administers on behalf of the United Nations system: the cumulative multi-donor trust fund (MDTF) portfolio, as of 31 December 2009, totalled almost $4.23 billion. In 2009, income increased to $1.78 billion compared to $1.50 billion in 2008. The $1.78 billion figure includes $1.25 billion for multi-donor trust funds and joint programmes, for which UNDP serves as administrative agent, and $0.53 billion for management and operational services provided by UNDP. In addition, in 2009, UNDP delivered $45 million, compared to $41 million in 2008, for its programme support to the resident coordinator system.

III. Regular resources

12. For regular resources, total income inclusive of interest income and other income decreased by 13 per cent compared to 2008, from $1.21 billion to $1.05 billion. Total 2009 expenditure increased by 11 per cent, from $1.05 billion to $1.17 billion. As a result, the available balance, exclusive of operational reserves, decreased to $354 million in 2009, from $499 million in 2008.

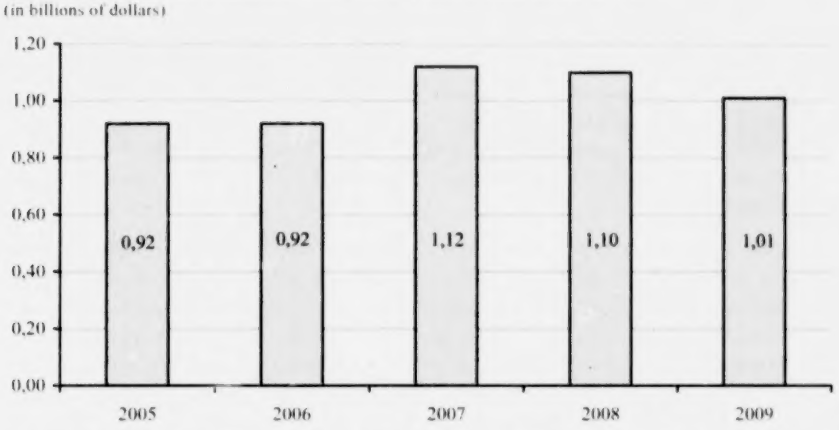
A. Income

13. Compared to 2008, total regular resources income inclusive of interest income and other income decreased by 13 per cent, from $1.21 billion to $1.05 billion.

Contributions

14. Figure 2 shows regular resources contributions, which decreased by 8 per cent from $1.10 billion in 2008 to $1.01 billion in 2009.

Figure 2
Regular resources contributions: five-year trend, 2005-2009



15. As shown in table 1 below, contributions from the top 10 donors to regular resources decreased by 4 per cent in dollar terms, to $828 million from $859 million in 2008. Several bilateral donors (OECD/DAC countries) reduced their contributions significantly in local currency in 2009. Most bilateral donors maintained their contributions, and some increased their contributions, including Australia, Belgium, Finland, Luxembourg, Spain, and the United Kingdom of Great Britain and Northern Ireland. A total of 53 member States contributed towards core resources in 2009. This includes India at $5 million, the People's Republic of China at $4 million, the Republic of Korea at $3 million and Saudi Arabia at $2 million.

Table 1
Regular resources contributions of top 10 donors, 2008-2009

	Contributions in local currency			*Contributions in millions of dollars*		
Donor	*2008*	*2009*	*Per cent change*	*2008*	*2009*	*% change*
Norway	770	770	—	138	123	-11
Netherlands	90	90	—	117	122	5
United States of America				97	103	6
United Kingdom of Great Britain and Northern Ireland	55	58	5	96	93	-3
Sweden	720	720	—	110	91	-17

Donor	Contributions in local currency			Contributions in millions of dollars		
	2008	2009	Per cent change	2008	2009	% change
Japan*				73	74	1
Spain	42	45	7	54	65	20
Denmark	350	320	-9	73	55	-25
Switzerland	54	54	—	46	54	18
Canada	57	50	-12	55	48	-14
Total of top 10 donors	**N/A**	**N/A**	**N/A**	**859**	**828**	**-4**
Others	**N/A**	**N/A**	**N/A**	**238**	**186**	**-22**
Total resources				**1 097**	**1 014**	**-8**

Source: Table 7, DP/2010/35/Add.1.

* Japan's contributions are pledged and received in US$.

Interest income

16. Interest income on regular resources was $10 million in 2009, compared to $25 million in 2008. As in 2008, UNDP successfully avoided any loss of principal in its investments as a result of the ongoing volatile financial market conditions. The conservative investment portfolio, combined with a lower interest rate environment, resulted in a reduction in interest income yield to 2.22 per cent in 2009, compared to 3.66 per cent in 2008. The current lower yields are expected to continue through 2010.

Other income

17. Other income, which mainly includes miscellaneous income and exchange gains, was $38 million in 2009, a significant decrease from $97 million in 2008. The decrease was due to unfavourable exchange rates in 2009.

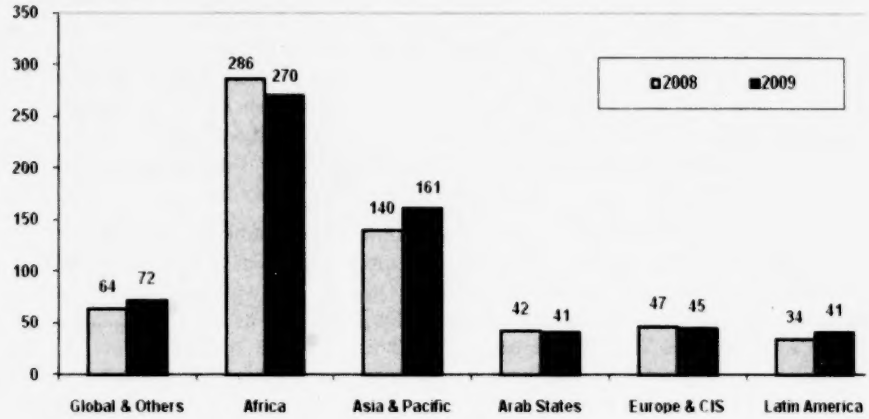
B. Expenditure

18. Expenditure is composed of programme and non-programme expenditure, including the biennial support budget (which forms the majority of the latter). Total 2009 regular resources expenditure increased by 11 per cent, from $1.05 billion to $1.17 billion.

Programme expenditure

19. Programme expenditure from regular resources, including programme support to the resident coordinator system, development support services, and the UNDP economist programme, increased by 3 per cent, from $617 million in 2008 to $635 million in 2009. Programme expenditure by region, excluding the Programme of Assistance to the Palestinian People, is shown in figure 3. Programme expenditure excluding programme support and other costs, for the Programme of Assistance to the Palestinian People was $5 million in 2009, compared to $4 million in 2008.

Figure 3
Regular resources programme expenditure by region, 2008-2009
(in millions of dollars)



Biennial support budget

20. The net biennial support budget expenditure increased by approximately 13 per cent in 2009, from $346 million to $392 million. This increase is attributable to a number of factors, such as the continued implementation of new activities endorsed in the 2008/2009 biennial support budget and started in 2009, including additional resources for oversight and assurance, United Nations coordination and further strengthening of country office capacities to deliver development results.

21. By category, 74 per cent of the expenditure in 2009 was spent on the biennial support budget functions, 19 per cent on the UNDP-specific function of country office support to activities of the United Nations, 1 per cent on the United Nations Development Operations Coordination Office, 5 per cent on the United Nations Volunteers, and 1 per cent on the UNCDF. In total, 60 per cent of expenditure relates to country offices, with the remaining 40 per cent attributed to headquarters locations, including the UNV programme.

22. Government contributions towards local office costs (GLOC) represent an important source of income to UNDP by helping to defray biennial support budget costs for UNDP country offices. These contributions can be made as cash and/or as an in-kind donation. They also represent an acknowledgement by host Governments of the value they place on the UNDP country office presence.

23. The value placed on 2009 GLOC in-kind contributions remained at approximately the same level in 2009 ($10.6 million) as in 2008 ($10.4 million). However GLOC cash contributions for 2009 decreased by approximately $1.5 million (6 per cent) over 2008 levels to $24.8 million ($26.3 million in 2008). Table 11 of DP/2010/35/Add.1 reflects 2009 GLOC cash shortfalls totalling $20.5 million ($21.0 million in 2008), which reduce the ability of UNDP to adequately fund the operational capacities of its country office network. Accordingly, UNDP strongly urges host Governments to increase their 2010 GLOC cash contributions in line with established targets.

Other expenditures

24. In comparison with 2008, other expenditures under regular resources increased by $50 million in 2009, to $140 million. Of that amount, $40 million was due to the revaluation of currencies and exchange rate fluctuations; $9.7 million was due to a provision made for doubtful debts, consisting of receivables for which recovery is doubtful, which primarily relate to interagency transactions; and a further $23 thousand approved for write off, following the completion of due diligence. Further due diligence relating to the transactions underlying the current provision for doubtful debts is being undertaken in 2010, prior to any further request for amounts to be written off.

25. An independent consulting actuary undertook a valuation of after-service health insurance (ASHI) benefits, as of 31 December 2009. On the basis of that study, the accrued liability estimates for UNCDF are $11 million; UNIFEM, $20 million; and UNDP, $430 million, totalling $461 million as of 31 December 2009. The total accrued liability represents a decrease of $5 million below the $466 million estimated in the previous actuarial report of 31 December 2007. For UNDP alone, the ASHI reserve is $373 million, and the unfunded liability stands at $57 million, which represents the difference between the accrued UNDP liability of $430 million and the ASHI reserve of $373 million. The UNDP ASHI funding strategy established in 2001 is aimed towards full funding of its ASHI liability within a fifteen year time frame. UNCDF and UNIFEM will fund their ASHI liabilities in future years.

26. As in prior years, the full ASHI liability is disclosed in a note to the financial statements. Upon the adoption of the international public sector accounting standards (IPSAS) in 2012, the full amount of the ASHI liability will be shown as a liability in the statement of financial position.

C. Balance of unexpended resources

27. The balance of unexpended regular resources, excluding the operational reserve, at the end of 2009 was $354 million, compared to $499 million in 2008. This represented 7 per cent of the overall balance of unexpended resources. UNDP did not draw from its operational reserve in 2009.

28. At the end of 2009, and based on total expenditure of $1.17 billion during the year, the UNDP year-end liquidity position represented approximately three and a half months of working capital, a significant decrease from the level of approximately seven months at the previous year-end. A prudent level of liquidity for UNDP regular resources would be the equivalent of expenditure for three to six months, implying a total liquidity between $262.5 million and $525 million at the 2009 expenditure level. Although the timeliness of payment by member States improved in 2009, in a number of cases there were delays in remitting contributions to UNDP. A significant amount of funds ($240 million or 24 per cent of 2009 contributions to regular resources) was received in the last quarter of 2009. This continues to impede the timely delivery of results. A request is made for a commitment from member States to pay early in the calendar year.

29. In accordance with Executive Board decision 1999/9, the formula for the calculation of the level of the UNDP regular resource operational reserve was

amended on the basis of documents DP/1999/5/Rev.1 and DP/1999/CRP.9/Rev.1. Based on the final income and expenditure data for the year 2009, the operational reserve will be adjusted upwards to a new level of $238 million, from $222 million. The additional $16 million will be transferred from the general resources of UNDP.

IV. Other resources

30. Other resources are composed of various modalities of co-financing: cost sharing, trust funds, reimbursable support services, the Junior Professional Officer (JPO) programme and miscellaneous activities, such as management service agreements. Reimbursable support services and miscellaneous activities are shown as "others" in figure 4 below.

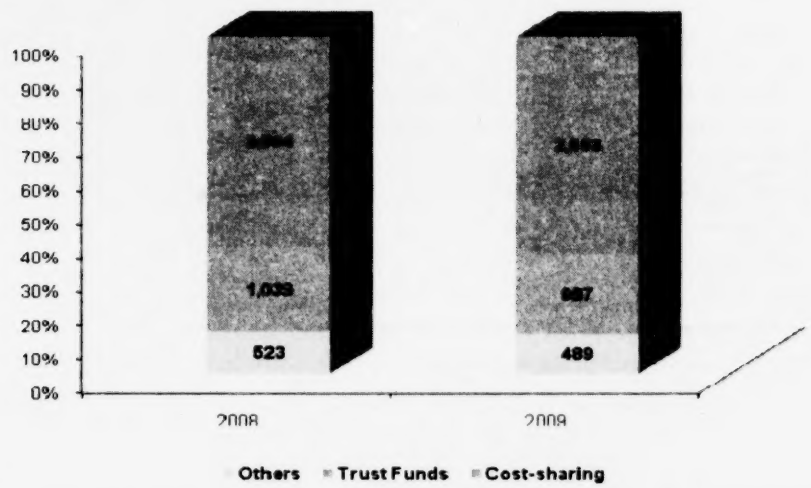
A. Income

31. Overall income for other resources decreased by $0.03 billion (1 per cent); from $4.55 billion in 2008 to $4.52 billion in 2009.

Contributions

32. Other resources contributions by funding mechanism for 2008-2009 are shown in figure 4.

Figure 4
Other resources contributions by funding mechanism, 2008-2009
(in millions of dollars)



33. In 2009, other resources contributions totalled $4.13 billion, a decrease of 1 per cent from $4.16 billion in 2008. A comparison of other resources contributions between 2008 and 2009 by funding source, excluding management service agreements, is given in table 2. Components in the other resources category include

bilateral donors, non-bilateral/multilateral sources, local resources received from programme countries, and other sources.

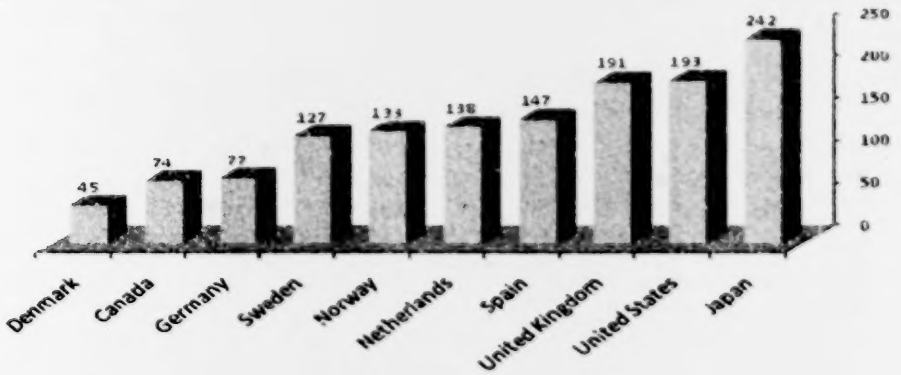
Table 2
Comparison of contributions by funding source, 2008-2009
(in billions of dollars)

	Contributions		
Funding source	*2008*	*2009*	*Per cent change*
Bilateral donor governments	1.44	1.56	8
Non-bilateral/multilateral sources	1.35	1.55	15
Local resources	0.96	0.72	(25)
Other sources	0.41	0.30	(27)
Total	**4.16**	**4.13**	**(1)**

Bilateral donors

34. Other resources contributions received from bilateral donors recorded an increase of 8 per cent, from $1.44 billion in 2008 to $1.56 billion in 2009. Figure 5 represents the top 10 bilateral donors that contributed to other resources in 2009.

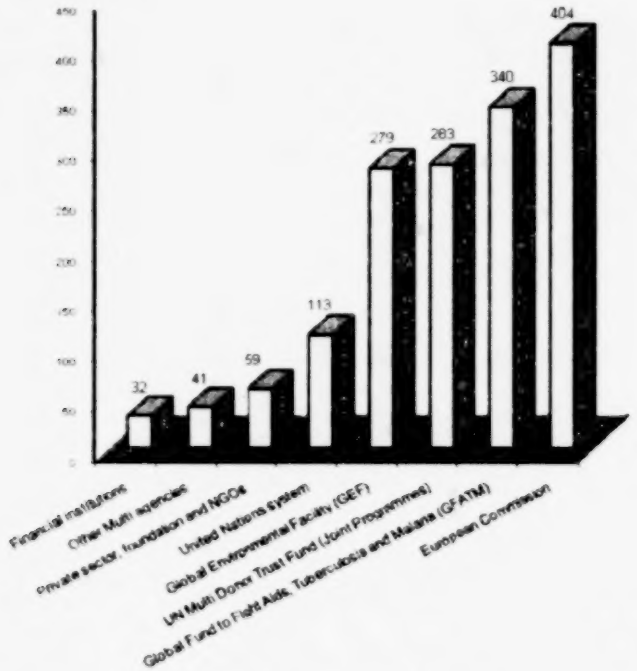
Figure 5
Other resources contributions, top 10 bilateral donors, 2009
(in millions of dollars)



Non-bilateral/multilateral partners sources

35. Other resources entrusted to UNDP from non-bilateral/multilateral partners have increased to $1.55 billion in 2009, a 15 per cent increase, compared to $1.35 billion in 2008. Figure 6 represents the breakdown of non-bilateral/multilateral partners that contributed to other donor resources in 2009.

Figure 6
Other resources contributions, non-bilateral/multilateral partners, 2009
(in millions of dollars)

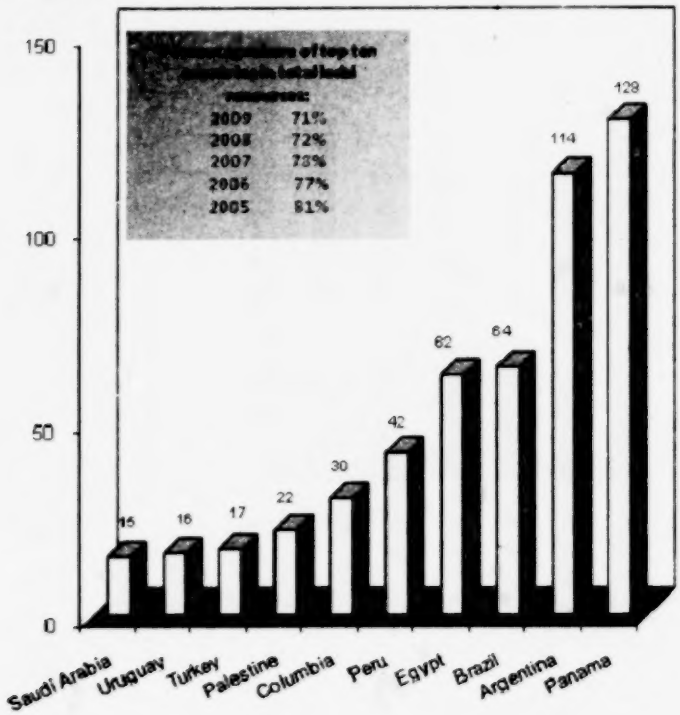


Local resources (Governments)

36. Contributions from local resources, excluding management service agreements, represented 17 per cent of total other resources contributions received in 2009. This pool of resources decreased by 25 per cent, from $0.96 billion in 2008 to $0.72 billion in 2009, exceeding the rate of portfolio realignment called for within the strategic plan. This decrease was due in part to a shift in programmatic priorities, with offices gradually moving away from providing procurement services to delivering strategic advice as envisaged in the strategic plan.

37. Of local resources contributions 71 per cent came from the Governments of 10 programme countries (see figure 7). Among the top 10 countries, Egypt, Uruguay, Saudi Arabia and Turkey increased their contributions to other resources in 2009. The percentage share of top 10 countries in total local resources continued the decreasing trend: from 78 per cent in 2007, to 72 per cent in 2008, to 71 per cent in 2009.

Figure 7
Local resources contributions (top 10 countries), 2009
(in millions of dollars)



38. In 2009, management service agreements (MSAs) contributions decreased by 20 per cent, from $407 million in 2008 to $325 million in 2009. The Government of Peru remains the top contributor to management service agreements with $229 million in 2009 (2008: $342 million). The Government of Argentina increased significantly its contributions in 2009, from $13 million to $49 million, as did Guatemala, Paraguay and Uruguay. Distribution of management services agreement income by donor and recipient country is shown in table 13 in DP/2010/35/Add.1.

Interest income

39. Interest income decreased by 38 per cent; from $149 million in 2008 to $92 million in 2009. This reduction was due to the volatile financial market conditions, and is likely to continue at the current lower level through the next biennium.

Other income

40. Other income was $297 million in 2009, compared to $248 million in 2008. Other income was largely made up of fees for support services, reimbursements for common services and other support services, field security through the United Nations Department of Safety and Security, and other funding sources. The increase in 2009 over 2008 related to increases from other United Nations organizations for

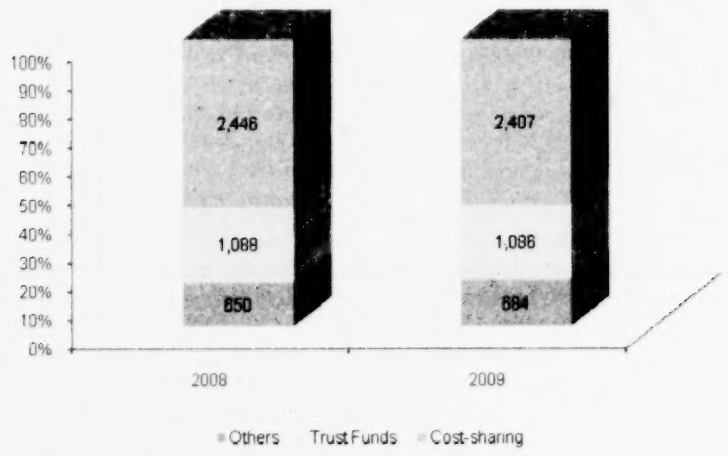
common services, a larger transfer ($73 million in 2009 compared to $69 million in 2008), from the Department of Safety and Security for the expanded field service office security programme, and increased cost recovery from support service activities.

B. Expenditure

41. Overall expenditure of other resources was $4.18 billion, a similar level as in 2008.

42. The combined total of programme expenditures, programme support costs, development advisory services, programme support to the resident coordinator system, and the biennial support budget was $4.18 billion. This combined total (exclusive of other expenditure) is provided with comparison to 2008 in figure 8.

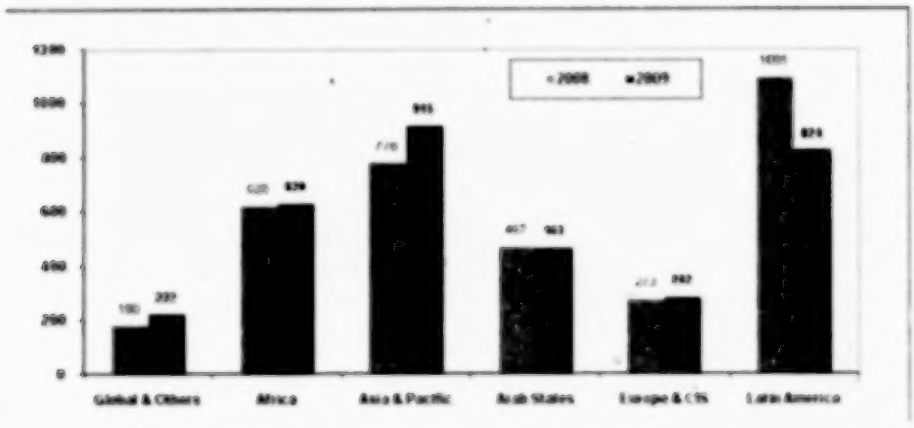
Figure 8
Other resources expenditure by funding mechanism, 2008-2009
(in millions of dollars)



Programme expenditure

43. Programme expenditure, including programme support to the resident coordinator system, and development support services decreased slightly by 1 per cent, from $3.77 billion in 2008 to $3.73 billion in 2009. Programme expenditure by region, excluding management service agreements and the Programme of Assistance to the Palestinian People, is shown in figure 9 below. Programme expenditure incurred in 2009 for the Programme of Assistance to the Palestinian People was $74 million compared to $51 million in 2008.

Figure 9
Other resources programme expenditure by region, 2008-2009
(in millions of dollars)



Other expenditures

44. Other expenditures increased slightly from $0.41 million in 2008 to $0.42 million in 2009.

C. Cost recovery policy

45. In line with decisions 2004/30 and 2007/18, whereby the Executive Board endorsed the recommendation that all other resources should support the priorities set out in the strategic plan and regular resources should not subsidize the support costs for programmes funded by other resources, the UNDP cost recovery policy establishes that all costs associated with the delivery of other resources-funded programmes at the country and headquarters levels are to be fully covered through specific cost recovery mechanisms. A successful application of the cost recovery policy is a measure of healthy planning capability on the part of the organization, and one geared towards attaining proper cost classification and cost attribution to the right funding source.

46. UNDP makes all efforts to recover the general management and implementation costs associated with the delivery of other resources-funded programmes and projects at the country and headquarters levels as well as to other United Nations entities to recover the cost of providing services, either through the common/shared service approach, the Universal Price List, or by charging the cost of ad-hoc services, in order that the UNDP's biennial support budget does not bear the cost of providing support services that it was never intended to carry.

47. The total cost recovery income and utilization in 2009 is shown in the table 3 below.

Table 3
Cost recovery
(in millions of dollars)

Cost recovery	*Programme and project delivery*	*Reimbursable support services*	*Total*
Income:			
General management/ implementation support services	272		272
Common services		96	96
Agencies reimbursable services		26	26
Total income	**272**	**122**	**394**
Expenditure:			
Staff/personnel costs	139	30	169
General operating expenses	67	82	149
Total expenditure	**206**	**112**	**318**

48. Included in the above cost recovery income of $394 million is the general management support income of $183 million from cost sharing and trust funds, which was not included in the total other income of other resources. In the 2010/2011 biennial support budget document (DP/2010/3), UNDP reported on the exceptions (waivers) granted on the cost recovery policy through a table of "General Management Support waivers granted since Executive Board decision 2007/18". This is shown in summary form in annex II.

D. Balance of unexpended resources

49. Although in aggregate other expenditure exceeded other income in 2009, the balance of unexpended other resources at the end of 2009 increased by 6 per cent to $4.55 billion, compared to $4.30 billion at the end of 2008. Unexpended other resources represented 88 per cent of the overall balance of unexpended resources. The balance of unexpended resources consists of $1.19 billion from trust funds ($1.30 billion in 2008), $2.48 billion ($2.23 billion in 2008) from cost sharing, and $0.86 billion (0.75 billion in 2008) from Reimbursable Support Services, with the remaining $0.02 billion from Government Cash Counterpart Contributions ($0.02 billion in 2008). At this point in time, most of unexpended resources have been programmed and will result in future years' delivery.

E. Others

United Nations Volunteers programme

50. In 2009, 7,545 volunteers, representing 158 nationalities, carried out 7,716 assignments in 128 countries. The total financial magnitude of their activities amounted to $219 million. Of this, 9 per cent was covered from contributions that are made to the UNV directly (special voluntary fund, cost sharing, trust funds and

full funding arrangements), and the rest was covered by direct charges to programmes of the United Nations and other United Nations organizations, funds and programmes, including UNDP.

Junior Professional Officer programme

51. A total of 24 Governments had valid agreements with UNDP for the provision of JPOs in 2009. As of 31 December 2009, UNDP administered 350 JPOs and 29 Special Assistants to the Resident Coordinator (SARCs), which compared to 289 JPOs and 10 SARCs as of 31 December 2008. Of the 350 JPOs, 243 worked with UNDP and affiliated funds and 23 per cent (56 JPOs/SARCs) served in New York and other headquarters locations. Furthermore, UNDP administered 136 JPOs on behalf of other United Nations agencies and partners.

52. UNDP received $57 million in contributions for the JPO programme in 2009 compared to $43 million in 2008. Total expenditure including support costs increased to $47 million in 2009 from $38 million in 2008. The resource balance available at the end of 2009 was $38 million, an increase from $28 million in 2008 and $23 million in 2007.

Reserve for field accommodation

53. In 1979, a reserve of $25 million was established to finance the reserve for field accommodation, which provides for housing for internationally recruited, UNDP-financed field personnel and, exceptionally, for office accommodation. The unexpended resource balance in 2009, from operations of housing and office premises of the reserve for field accommodation, was $0.65 million.

Direct budget support

54. With decision 2008/24, the Executive Board endorsed, in principle, a four-year pilot (commencing September 2008) that allows UNDP financial contributions to pooled funding and sector budget support, on a case-by-case basis upon the request of the recipient country, in accordance with the mandate and comparative advantage of UNDP, and in line with the guidance provided in DP/2008/36 and Corr. 1 and 2.

55. A request from the Government of Burkina Faso for UNDP participation in sector budget support was approved in 2009 for two projects in priority areas: HIV/AIDS, and human rights promotion. Each initiative falls within the core mandate of UNDP. The UNDP contribution to sector budget support in Burkina Faso amounted to $110,000, representing 0.2 per cent of the HIV/AIDS sector budget funds, and 1.5 per cent of the humanitarian rights promotion sector budget funds. This amount is funded from regular resources, and is below the cap of 10 per cent of the annual authorized spending limit of core funds in the resource planning framework established by the Executive Board.

V. United Nations reform and support to other United Nations organizations

56. In addition to its own operational activities, UNDP plays a vital role in supporting the United Nations development system. Based on the available data, the value of fund flows for multi-donor trust funds, joint programmes and support to

other United Nations organizations totalled $1.78 billion in 2009, compared $1.5 billion in 2008.

A. UNDP administrative agent function

57. UNDP supports joint programming activities in many ways, through its role administrative agent of joint programmes and multi-donor trust funds, and throu its programme implementation role as a participating United Nations organization summary is shown in table 4. The total value of contributions received by UNDP behalf of the United Nations system for joint programmes and multi donor tr funds was $1.25 billion in 2009 (2008: $0.96 billion). Of the $1.25 billion, the to value of funds transferred by the MDTF in its role as the administrative agent to participating organizations, was $758 million in 2009. The $758 million inclu funds transferred to UNDP for UNDP programmes of $283 million ($187 million 2008).

Table 4
Transfers to and expenditures by UNDP acting as an administrative agent and as a participating United Nations organization, as a per cent of MDTF financial volume

(in millions of dollars)

	Multi-donor trust funds	*Joint programmes*	*Total*	*UNDP*	*UNDP per cent of t*
Transfers	736	22	758	283	
Expenditures	701	19	720	230	

B. Support to United Nations organizations

58. UNDP country offices provide operational support to other United Nati organizations. The funds for those services are recorded in agency services clear accounts. In 2009, the value of fund flows towards support to other United Nati organizations, consisting of agency services clearing accounts was $528 million drop of 1.5 per cent when compared to 2008 ($536 million).

C. Programme support to the resident coordinator system

59. Overall expenditure for the programme support to the resident coordina system in 2009 was $45 million, compared to $41 million in 2008.

D. United Nations-mandated security costs

60. In decision 2008/1, the Executive Board approved the net amount $51 million as a separate requirement from regular resources to cover secur measures mandated by the United Nations. The Administrator was also granted exceptional authority, during 2008-2009, to access up to an additional 20 per c

($10 million) of the $51 million proposed net regular resources earmarked for security measures mandated by the United Nations.

61. In accordance with decision 2008/1, UNDP appropriated $51 million from regular resources and earmarked $20 million from other resources for the biennium 2008-2009. In 2009, UNDP spent $39 million (2008: $26 million), including $10 million (2008: $10 million) in other resources. Of that amount, $21 million (2008: $11 million, net of a $5 million credit resulting from 2006-2007 overbilling by the UN Department of Safety and Security) was spent on the United Nations Field Security Coordination programme; and $18 million (2008: $15 million) on country office assessments of and investments in compliance with the minimum operating security standards, including at headquarters.

VI. International public sector accounting standards

62. IPSAS represents a significant enhancement to UNDP accountability measures. UNDP will continue to enhance accountability through the adoption of IPSAS, the revision of its internal control framework, the accountability framework, and the results-based management budget paradigm. The rescheduling of IPSAS adoption to 2012 has provided UNDP management with the opportunity to implement IPSAS in a more robust fashion than would otherwise have been possible.

63. In decision 2008/1, the Executive Board approved $9 million from regular resources for the 2008-2009 biennium to cover the costs of introducing the IPSAS by the end of 2009. UNDP spent $2.7 million in 2008 and $2.8 million in 2009 on the required preparations to adopt IPSAS.

64. In addition, the Executive Board in its decision 2010/1 approved a total of $13 million for IPSAS-related activities during 2010/2011: $9.5 million from regular resources, inclusive of the carryover of $3.4 million in unspent 2008-2009 regular resources, and $3.5 million in other resources (DP/2010/3, para. 94). Out of this $13 million, $11 million will be used for one-off project costs, such as configuration and customization of institutional systems and reports, development and delivery of a global training programme, formulation and application of IPSAS policies. The remaining $2 million will be used to fund new positions, for a period of six months, required to undertake the additional workload that will result from the adoption of IPSAS. These positions will be required on an ongoing basis.

VII. Funds administered by UNDP

65. Table 5 (a) in the addendum to the present report (DP/2010/35/Add.1) provides detailed data for the two funds administered by UNDP.

A. United Nations Capital Development Fund

66. In 2009, UNCDF operated in 40 of the 49 least developed countries, with a particular focus on post-conflict countries. Total contributions in 2009 amounted to $35 million, reflecting a slight increase in the volume of regular resources, and a decline in other resources (which had been anticipated). The overall resource

outlook remains positive, especially in terms of volume and diversification of other resources.

67. Total programme expenditure increased to $40 million in 2009, compared to $31 million in 2008. Other resources expenditures increased to $19 million in 2009 compared to $14 million in 2008 and accounted for 48 per cent of total programme resources. A total of 100 per cent of programme expenditures were joint programmes with UNDP. UNCDF also disbursed $658 thousand in loans (together with $20 million in grants, already reflected in expenditure) to microfinance institutions in the Democratic Republic of the Congo, Senegal and Timor-Leste. The total operational reserve for both UNCDF core and non-core was $25 million. Accordingly, UNCDF was able to deliver its planned development, management and financial results while sustaining its liquidity and financial soundness.

68. A total of $40 million of programme expenditure does not include $1 million allocated to UNCDF by UNDP in accordance with Executive Board decision 2007/34. This amount was fully expended by UNCDF but is being recorded and reported separately by UNDP. In addition, there was $10 million in the UNDP biennial support budget for UNCDF management expenditure.

B. United Nations Development Fund for Women

69. UNIFEM provides financial and technical assistance to innovative programmes and strategies to foster women's empowerment and gender equality. Placing the advancement of women's human rights at the centre of all its efforts, UNIFEM focuses its activities on four strategic areas: (a) reducing feminized poverty; (b) ending violence against women; (c) reversing the spread of HIV/AIDS among women and girls; and (d) achieving gender equality in democratic governance in times of peace as well as war.

70. Total contributions for UNIFEM decreased by $39 million or 19 per cent to $165 million in the year 2009, from $204 million in 2008. Voluntary contributions increased by $11 million or 21 per cent, cost-sharing by $9 million or 14 per cent, while sub-trust funds decreased by $59 million or 67 per cent. The decrease in the sub-trust funds is attributed to the Trust Fund for Gender Equality, which was established in 2008 and received major initial funding.

71. Programme expenditure increased by $19 million, or 18 per cent, to $123 million in 2009 from $104 million in 2008. Regular resources expenditure increased to $49 million in 2009 from $42 million in 2008, an increase of $7 million or 16 per cent. Cost-sharing expenditure increased by $4 million or 10 per cent to reach $53 million in 2009, from $49 million in 2008. Sub-trust fund expenditure increased by $8 million or 55 per cent to reach $21 million in 2009 from $13 million in 2008.

72. Unexpended resources at 31 December 2009 were $228 million, an increase of $35 million from $193 million on 31 December 2008. These resources at December 2009 are supported by approved project budgets amounting to $184 million. The level of the Operational Reserve was reviewed in accordance with Executive Board decision 97/4 of January 1997, and the reserve was increased to $20 million as at 31 December 2009 up from $15 million at 31 December 2008.

Annex I

UNDP overview

A. Statement of income and expenditure for the year ended 31 December 2009, with comparative figures for 2008

(in thousands of dollars)

	Regular resources			*Other resources*			*Funds*			*Total*[a]		
	2009	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*
Income												
Contributions	1 013 599	1 097 107	-8%	4 129 137	4 155 735	-1%	199 738	248 434	-20%	5 342 474	5 501 276	-3%
Less: transfer to biennial support budget	(8 671)	(9 537)	9%	—	—		—	—	—	(8 671)	(9 537)	9%
Contributions — net	1 004 928	1 087 570	-8%	4 129 137	4 155 735	-1%	199 738	248 434	-20%	5 333 803	5 491 739	-3%
Interest income	10 173	24 928	-59%	92 306	149 109	-38%	2 127	5 395	-61%	104 606	179 432	-42%
Other income — net	38 480	96 959	-60%	297 389	248 270	20%	16 678	12 705	31%	352 547	357 934	-2%
Total income	**1 053 581**	**1 209 457**	**-13%**	**4 518 832**	**4 553 114**	**-1%**	**218 543**	**266 534**	**-18%**	**5 790 956**	**6 029 105**	**-4%**
Expenditure												
Programme	605 722	590 437	3%	3 692 709	3 734 238	-1%	163 479	135 463	21%	4 461 910	4 460 138	—
Programme support costs	(1)	1	—	13 960	13 274	5%	—	—	—	13 959	13 275	5%
Programme support to Resident Coordinator	16 797	15 322	10%	28 640	25 632	12%	—	—	—	45 437	40 954	11%
Development support services	6 767	6 307	7%	6 210	6 005	3%	—	—	—	12 977	12 312	5%
UNDP economist programme	6 049	5 118	18%	—	—		—	—	—	6 049	5 118	18%
Biennial support budget — net	391 551	345 689	13%	435 302	404 437	8%	19 288	15 851	22%	846 141	765 977	10%
Other expenditure	139 689	89 706	56%	423	408	4%	221	2	—	140 333	90 116	56%
Total expenditure	**1 166 574**	**1 052 580**	**11%**	**4 177 244**	**4 183 994**	—	**182 988**	**151 316**	**21%**	**5 526 806**	**5 387 890**	**3%**
Excess (shortfall) of income over expenditure	**(112 993)**	**156 877**	—	**341 588**	**369 120**	**-7%**	**35 555**	**115 218**	**-69%**	**264 150**	**641 215**	**-59%**
Savings on obligations of prior biennium	15 682	53	—	—	—	—	—	—	—	15 682	53	—
Transfer (to)/from reserves	(14 000)	(16 000)	13%	(5 000)	(7 000)	29%	(6 910)	(600)	—	(25 910)	(23 600)	-10%

	Regular resources			Other resources			Funds			Total[a]		
	2009	2008	+/-	2009	2008	+/-	2009	2008	+/-	2009	2008	+/-
Refunds to donors and transfers (to)/from other funds	(32 879)	(19 337)	-70%	(85 878)	(69 263)	-24%	(2 098)	(1 485)	-41%	(120 855)	(90 085)	-34%
Adjustments to reserves and fund balances							1 982	—	—	1 982	—	—
Fund balances, 1 January	498 602	377 009	32%	4 299 296	4 006 439	7%	252 161	139 028	81%	5 050 059	4 522 476	12%
Fund balances, 31 December	**354 412**	**498 602**	**-29%**	**4 550 006**	**4 299 296**	**6%**	**280 690**	**252 161**	**11%**	**5 185 108**	**5 050 059**	**3%**

Source: Table 1(a), DP/2009/28/Add.1.

[a] Includes General Management Support service cost.

B. Assets, liabilities and reserves, and fund balances as at 31 December 2009, with comparative figures for 2008

(in thousands of dollars)

	Regular resources			Other resources			Funds			Total[a]		
	2009	2008	+/-	2009	2008	+/-	2009	2008	+/-	2009	2008	+/-
Assets												
Cash	25 929	36 743	-29%	34	180	-81%	6 404	7 194	-11%	32 367	44 117	-27%
Cash and Investments — Funds held in trust	1 324 804	814 079	63%							1 324 804	814 079	63%
Government letters of credit				108 460	89 434	21%				108 460	89 434	21%
Investments held for:												
Operational reserve	222 000	208 000	7%							222 000	208 000	7%
Reserve for After Service Health Insurance	373 276	320 191	17%							373 276	320 191	17%
Regular resources	602 527	1 306 331	-54%	492 446	399 637	23%	343 405	294 450	17%	1 438 378	2 000 418	-28%
Other Resources	4 266 293	4 241 277	1%							4 266 293	4 241 277	1%
Medical Insurance Plan	45 073	39 818	13%							45 073	39 818	13%
Subtotal investments	**5 509 169**	**6 115 617**	**-10%**	**492 446**	**399 637**	**23%**	**343 405**	**294 450**	**17%**	**6 345 020**	**6 809 704**	**-7%**
Total cash, letters of credit and investments	**6 859 902**	**6 966 439**	**-2%**	**600 940**	**489 251**	**23%**	**349 809**	**301 644**	**16%**	**7 810 651**	**7 757 334**	**1%**

	Regular resources			*Other resources*			*Funds*			*Total*[a]		
	2009	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*
Advances from Governments and executing agencies	22 269	30 339	-27%	125 452	140 068	-10%	668	550	21%	148 389	170 957	-13%
Accounts receivable and deferred charges	29 017	29 606	-2%	24 167	40 027	-40%	1 286	3 874	-67%	54 470	73 507	-26%
Funds due from Core resources				4 378 995	4 288 429	2%	4 810	12 482	-61%	4 383 805	4 300 911	2%
Funds due from Other resources	118 644	61 450	93%							118 644	61 450	93%
Funds due from UNFPA and UN Current account		248 572									248 572	
Accrued interest	34 360	45 204	-24%	21 742	32 097	-32%	2 394	1 230	95%	58 496	78 531	-26%
Loans							5 168	2 695	92%	5 168	2 695	92%
Special capitalized assets	1 570	1 570	—							1 570	1 570	—
Reserve for Field Accommodation activities				34 844	35 039	-1%				34 844	35 039	-1%
Total assets	**7 065 762**	**7 383 180**	**-4%**	**5 186 140**	**5 024 911**	**3%**	**364 135**	**322 475**	**13%**	**12 616 037**	**12 730 566**	**-1%**
Liabilities												
Advances to Governments and executing agencies	2 267	529	—	16 087	22 101	-27%	850	849	—	19 204	23 479	-18%
Unliquidated obligations	53 313	58 385	-9%	239 539	365 329	-34%	6 734	9 617	-30%	299 586	433 331	-31%
Accounts payable	127 217	129 385	-2%	135 242	145 412	-7%	5 634	6 278	-10%	268 093	281 075	-5%
Funds due to Other resources & Funds	4 383 806	4 300 914	2%							4 383 806	4 300 914	2%
Funds due to Core resources by Other resources & Funds				93 187	45 182	—	25 457	16 270	56%	118 644	61 452	93%
Funds due to UNOPS, UNFPA and UN Current Account	163 502	345 818	-53%							163 502	345 818	-53%
Deferred liability — Funds held in trust	1 383 254	1 517 021	-9%							1 383 254	1 517 021	-9%
Deferred Liability — After Service Health Insurance	373 276	320 191	17%							373 276	320 191	17%

	Regular resources			*Other resources*			*Funds*			*Total*[a]		
	2009	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*	*2009*	*2008*	*+/-*
Other Liabilities	1 145	2 765	-59%	16 079	16 591	-3%	561	—	—	17 785	19 356	-8%
Total liabilities	**6 487 780**	**6 675 008**	**-3%**	**500 134**	**594 615**	**-16%**	**39 236**	**33 014**	**19%**	**7 027 150**	**7 302 637**	**-4%**
Reserves and fund balances												
Operational reserve	222 000	208 000	7%	108 000	103 000	5%	44 209	37 300	19%	374 209	348 300	7%
Endowment fund				3 000	3 000					3 000	3 000	—
Reserve for field accommodation authorized level				25 000	25 000					25 000	25 000	—
Special capital resources	1 570	1 570								1 570	1 570	—
Balance of unexpended resources	**354 412**	**498 602**	**-29%**	**4 550 006**	**4 299 296**	**6%**	**280 690**	**252 161**	**11%**	**5 185 108**	**5 050 059**	**3%**
Balance of unexpended resources and special capital resources	**355 982**	**500 172**	**-29%**	**4 550 006**	**4 299 296**	**6%**	**280 690**	**252 161**	**11%**	**5 186 678**	**5 051 629**	**3%**
Total liabilities, reserves and balance of unexpended resources	**7 065 762**	**7 383 180**	**-4%**	**5 186 140**	**5 024 911**	**3%**	**364 135**	**322 475**	**13%**	**12 616 037**	**12 730 566**	**-1%**

Annex II

General management support waivers granted since Executive Board decision 2007/18

No.	*Date*	*Project/Programme*	*General management support waiver rate*
1	Nov-07	Construction of United Nations House in Viet Nam	4 per cent
2	Dec-07	Contribution to legacy Economic and Social Commission for Asia and the Pacific trust fund	4 per cent
3	Dec-07	Law and Order Trust Fund for Afghanistan (Phase IV)	3 per cent
4	Feb-08	Caribbean Regional Technical Assistance Centre (Phase III, multi-donor-funded project)	5 per cent
5	Jun-08	Project funding for Somalia support secretariat	5 per cent
6	Aug-08	Law and Order Trust Fund for Afghanistan (Phase V)	5 per cent
7	Sep-08	Sierra Leone Peacebuilding Fund project	5 per cent
8	Nov-08	Support to emergency preparedness in Southern Sudan project	4 per cent
9	Feb-09	Contribution to legacy Economic and Social Commission for Asia and the Pacific trust fund (Indonesia)	4 per cent
10	Apr-09	UNDP Somalia joint programme on local governance	2 per cent (on a portion of total contribution)

Annex III

Definitions

Assets: (a) cash and investments — the main liquid assets of UNDP; (b) *other assets, net of liabilities* — supplement investments to/from the balance of unexpended resources, including advances to executing agents and to other United Nations organizations.

Base structure: Minimum capacity that the organization needs in order to be able to deliver on its core mandate; represents part of the fixed costs of the organization. The base structure of the organization is always funded from *regular resources* and was introduced in document DP/2003/28.

Biennial budget:

(i) Biennial budget: expenditure incurred by organizational units (country offices and headquarters) for the following functions: executive direction and leadership; representation and advancement of the core mandate; corporate policy and strategy development, planning and guidance; programme guidance, management and oversight; procurement and supply management; crisis prevention, recovery and emergency management; external relations and partnerships; internal/external communications with media and public relations; resources mobilization; financial, information and communications technology, human resources and general administrative management; internal audit and investigations; corporate evaluation; and staff security;

(ii) Support to operational activities of the United Nations: this comprises two elements which are basically applicable to the regular resources activities, namely country offices support and the United Nations Development Operations Coordination Office;

(iii) Support to other programmes and funds: this comprises support for the United Nations Volunteers programme and for UNCDF headquarters.

Biennial support budget: the budget of an organization covering programme support and management and administration of the organization.

Bilateral donors: other resources received from 22 members of the Development Assistance Committee of the Organization for Economic Cooperation for Development.

Contributions: resources entrusted to UNDP by States Members of the United Nations and other entities. Contributions are used to cover UNDP programme activities as well as programme support, management and administration, and support to operational activities of the United Nations, including costs associated with the administration of contributions received for special purposes. Non-core contributions include bilateral contributions from donors and resources entrusted to UNDP from multilateral partners.

Funds administered by UNDP: funds established by the General Assembly and administered by UNDP.

Government contributions to local office cost (GLOC): contributions in the form of cash, or by provision in kind of specific goods, services and facilities that the host Government makes towards the expenses of maintaining the UNDP country office.

International public sector accounting standards (IPSAS): high-quality, independently developed accounting standards considered as the best accounting practice by public sector organizations. IPSAS was developed for not-for-profit public sector organizations and are the only international accounting standards applicable to public sector and other not-for-profit organizations. The standards require accounting on a "full-accruals" basis, which is considered best accounting practice by international organizations for the public as well as the private sector. IPSAS includes detailed requirements and guidance.

Joint programmes: the collective effort through which United Nations organizations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals and other international commitments arising from United Nations conferences, summits, conventions and human rights instruments.

Local resources: other resources received from programme countries.

Management Service Agreements (MSAs): UNDP signs a Management Service Agreement (MSA) with a donor to receive contributions to deliver management and other support services to recipient governments under a specific programme or project.

Net contributions: these are calculated after the application of the accounting linkage adjustment to the biennial support budget (a transfer of contributions to cover shortfalls in government local office contributions and reimbursement of tax charges).

Non-bilateral/multilateral sources: other resources received from all multilateral organizations, such as regional development banks, international financial institutions, United Nations organizations and the private sector.

Non-programme expenditure: total expenditures are composed of programme and non-programme expenditures. Non-programme expenditures are the balance of programme expenditures, and are composed of biennial support budget, programme support costs and other expenditures which are of miscellaneous nature.

Other expenditures: other expenditures are expenditures funded by "other resources". Under this category fall cost sharing and trust funds established by the Administrator. For presentation purposes, bilateral donors, non-bilateral/multilateral sources, local resources, joint programmes and support to other United Nations organizations, the United Nations Volunteers programme, management services agreements, the Junior Professional Officer programme and the reserve for field accommodation are included in this category.

Other income: miscellaneous income and exchange gains and refunds from completed projects.

Other resources: the resources of UNDP, other than regular resources, that are received for a specific programme purpose, consistent with the policies, aims and activities of UNDP and for the provision of management and other support services to third parties. Under this category fall cost sharing and trust funds established by the Administrator. For presentation purposes, bilateral donors, non-bilateral/ multilateral sources, local resources, joint programmes and support to other United Nations organizations, the United Nations Volunteers programme, management

services agreements, the Junior Professional Officer programme and the reserve for field accommodation are included in this category.

Overall UNDP contributions: contributions to UNDP, UNCDF, UNIFEM and other funds.

Overall UNDP expenditure: expenditure comprising programme expenditure, programme support costs, programme support to resident coordinator and other expenditure — development support services, UNDP economist programme, biennial support budget (net) and general operating expenses.

Programme expenditure: expenditure relating to delivery of programme and project activities, incurred by UNDP and all implementing agencies involved.

Regular resources: the resources of UNDP that are co-mingled and untied. They include pledges of voluntary contributions, contributions from governmental, intergovernmental or non-governmental sources and related interest earnings and miscellaneous income.

Total income: sum of contributions (net of transfer to biennial support budget), interest income and other income (net).

Unliquidated obligations and other payables: expenditures that have been incurred but have yet to be disbursed.